

**O**nward

# **Atrium City Living Limited**

**Annual Report and Financial Statements for the year  
ended 31 March 2023**

Companies House registration number 4710066

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# BOARD AND ADVISORS

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## Members of the Board

Bronwen Rapley  
Alexander Livingstone  
Michael Gerrard  
Matthew Saye

## Company Secretary

Catherine Farrington

## Principal Banker

**NatWest Group PLC**  
1 Hardman Boulevard,  
Manchester, M3 3AQ

## Principal Solicitors

**Devonshires Solicitors LLP**  
Park House, Park Square West, Leeds, LS1  
2PW

## Trowers & Hamlins LLP

55 Princess Street, Manchester M2 4EW

## External Auditor

### **BDO LLP**

3 Hardman Street, Spinningfields, Manchester,  
M3 3AT

## Internal Auditor

### **Beever and Struthers LLP**

One Express, 1 George Leigh Street,  
Ancoats, Manchester, M4 5DL

# DIRECTOR'S REPORT

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## Introduction

The Board presents its strategic report, containing the operating and financial review for the year ended 31 March 2023.

## Overview and background

At Atrium City Living Limited's inception in 2003 the Company's main purpose was to manage non-core market rent and leasehold properties and to provide expertise in low-cost home ownership development, sales and marketing across Onward Group ("the Group").

Following the Group reorganisation in 2018, Atrium City Living Limited ("the Company") is now used as a delivery vehicle for development investment. At the start of the financial year Atrium held an investment with the Greater Manchester Joint Venture (GMJV) and was a partner in CRDP Developments LLP – a joint venture with Seddon Construction to build homes in Goosnargh, Preston. During the year the partnership with CRDP Developments LLP reached its conclusion with the final homes being completed and sold.

## Legal structure

Atrium City Living Limited is a Company registered at Companies House with registration number 4710066. Atrium is a wholly owned subsidiary of Onward Homes Limited.

## Financial review

The Company is reporting a profit in the year of £221k (2022: £115k). The Company ended the year with cash and short-term investments of £219k (2022: £1k). This year the Company has recognised its share of the operating profit in the joint venture of £258k (2022: £131k). It has also recognised an interest cost this year reflecting the cost of the intercompany loan it has received from Onward Homes Limited. This loan is used to fund the investment in joint venture.

## Operating review

The Company's principal activity is investment in opportunities which facilitate development of new homes.

Despite inflationary challenges and early delays due to Covid-19 and the planning application process, the partnership with CRDP Development LLP successfully secured and yielded forty-three new affordable homes for Onward in one of its key growth areas (Preston). It returned agreed profit levels and has established a mechanism and pattern of potential future working with large regional housebuilders in the North-West.

The Company utilises the Group risk management framework to ensure all known risks are identified and assessed before any financial commitments are entered into.

## Strategic report

The directors' report, including the financial statements, was approved by the Board on 29<sup>th</sup> August 2023 and signed on its behalf by:



### Catherine Farrington

Company Secretary

Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY

## **DIRECTOR'S REPORT (continued)**

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The Board presents the Atrium City Living Limited Annual Report (the Annual Report') and the audited financial statements for the year ended 31 March 2023.

### **Principal activities**

The Company's principal activity is investment in opportunities which facilitate development of new homes.

### **Board members**

The current Board members of the Company are set out on page 2.

The Board members are made up of the executive directors of the Onward Group and have a wide background bringing together professional, commercial, and other experiences. The Board members are remunerated as executive directors of the Group, additional remuneration is not received for being Board members of Atrium City Living Limited.

### **Statement of compliance**

The Board report and financial statements have been prepared in accordance with applicable reporting standards and legislation.

### **Health and safety**

Health and Safety is an integral part of the proper management of all the undertakings over which the Company has control. The Company promotes safe practices and continuous improvement through a Health and Safety Group, and Regional Health and Safety Forums on which all parts of the group are represented. The Company is committed to ensuring:

- The health, safety and welfare of all its customers, leaseholders, colleagues, contractors and third parties involved in the operations of the Company.
- The safety of the general public who use or have access to premises or sites under its control.
- The way in which it operates contributes to the wellbeing of the community at large.

### **Corporate governance**

The Company is governed by a Board who delegate day-to-day operational control as appropriate. The Board meets to consider key risks and approve the accounts. As a subsidiary of Onward Group, the Company delegates responsibilities to five committees:

- Audit and Risk - oversight of audit and risk matters for the Group.
- Finance & Treasury – oversight and scrutiny of Group finance, performance and treasury strategy.
- Property & Development - oversight of portfolio management, landlord compliance and the development programme with some delegations to approve development schemes and land purchases.
- Governance & People – makes recommendations to the Common Board on nomination and remuneration matters.
- Customer – oversight of customer engagement and customer voice.

The committee structure was changed from 1st April 2023 to the structure outlined above. The main changes were;

- The combining of finance, performance and treasury to consolidate all financial matters into one forum,
- The creation of a customer specific committee to put customers at the heart of everything we do,
- The renaming of the Nominations and Remunerations committee to the Governance and People committee
- Property was previously covered by the Finance and Performance committee but now it has been combined with development to form the Property and Development committee.

### **Employee involvement**

The Board recognises that its employees are its greatest asset and that it cannot achieve its aims and objectives without their involvement and contribution towards running the organisation.

## **DIRECTOR'S REPORT (continued)**

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### **Employee involvement (cont'd)**

The Company communicates and consults with its employees through a variety of structures including regular team briefings, employee emails, newsletters and colleague forum.

The Company is committed to developing a culture in which equality and diversity is integral to all of its activities, including the recruitment and development of colleagues. There is a Diversity Strategy in place which aims to achieve an inclusive culture that respects and values differences and eliminates discrimination in all areas.

### **Corporate social responsibility**

The Board are committed to being a socially responsible organisation, managing in a socially responsible way, ensuring adherence to legislation and ethical operation. The majority of the Company's services are provided to customers who live in affordable rented, sheltered or supported homes.

### **Disclosure of information to auditor**

So far as each of the directors of the Company is aware, at the time this report is approved:

- there is no relevant information which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

### **Directors' responsibilities**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of internal control**

The Board acknowledges its ultimate responsibility for ensuring that the Company has in place a system of internal control and risk management that is appropriate to the various business environments in which they operate and for the review of the effectiveness of that system during the year.

The Audit and Risk Committee is responsible to the Onward Board for monitoring this system and reporting on its effectiveness.

# DIRECTOR'S REPORT (continued)

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## Statement of internal control (cont'd)

Internal controls are designed to identify and manage rather than eliminate risks which may prevent an organisation from achieving its objectives. The system of internal control is designed to manage risk and give reasonable rather than absolute assurance with respect to:

- The achievement of key business objectives and expected outcomes;
- The preparation and reliability of financial and operational information used within the organisation and for publication;
- The maintenance of proper accounting and management records; and
- The safeguarding of assets against unauthorised use or disposition.

## Internal assurance activities

The process followed to identify, evaluate and manage significant risks faced by the Company is ongoing and has been in place during the past financial year and up to the date of the annual report and financial statements.

## Internal audit assurance

The Group's in-house internal audit function is used to provide assurance on the operation of the control framework and the management of risk. Internal audit is not responsible for the design and construction of control systems but provide an assessment as to their effectiveness.

The Audit and Risk Committee oversee the work of the internal auditor and review reports issued by them. The committee is responsible for monitoring that actions identified as a result of internal audit findings are implemented in a timely fashion.

The Group worked with Price Waterhouse Coopers (PwC), it's Internal auditors during 2022 – 23, to establish an internal audit plan for 2022 – 23 which is aligned to the strategic risk register. As of 1st April 2023 Beever and Struthers were appointed as the Groups internal auditors.

## External audit assurance

The work of the external auditor provides some independent assurance over the adequacy of the internal control environment. The Company receives a management letter from the external auditor which identifies any internal control weaknesses. The Board itself and through the activities of the Audit and Risk Committee has reviewed the outcome of external audit work and the external audit management letter.

## Fraud

The Company has a current policy on fraud which includes both fraud prevention and detection. A register of frauds and losses is maintained and is reported to the Audit and Risk Committee.

## Review of risk management and governance arrangements

Risk management arrangements should mitigate against risks materialising.

## Conclusion

The Board acknowledges that its responsibility applies to the full range of risks and controls across all Company activities and is to ensure that planned remedial and improvement actions agreed were implemented in a timely and comprehensive manner.

The Board has considered the effectiveness of the system of internal control in place in the year ended 31 March 2023. The Board considers that systems of internal control, governance and risk management arrangements are working effectively.

## Going concern

The Company's business activities, it's current financial position, net assets of £446k (2022: £225k) and factors likely to affect its future investment activity are set out within the Directors' Report. The Company has in place debt facilities of £2.20m (2022: £5.95m), of which £1.21m is undrawn (2022: £1.66m) and cash and cash equivalents of £219k (2022: £1k).

## DIRECTOR'S REPORT (continued)

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### Going concern (cont'd)

During the year the intra-group loan relating to investing activity with CRDP Developments LLP was repaid in full to Onward Homes Limited. The remaining facility provides adequate resources to planned investments in the one remaining Joint Venture. The Company has a long-term business plan which shows that it can service its intra-group loan. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

On this basis, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

### Independent auditor

BDO LLP were appointed as auditors in the year. A resolution to appoint the Group's auditor will be proposed at a forthcoming board meeting. BDO LLP have indicated their willingness to continue in office should a resolution concerning their reappointment be agreed by the Board.

The Directors' Report, including the financial statements, was approved by the Board on 29<sup>th</sup> August 2023 and signed on its behalf by:



**Catherine Farrington**

Company Secretary

Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY



# INDEPENDENT AUDITOR'S REPORT

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATRIUM CITY LIVING LIMITED

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Atrium City Living Limited ("the Company") for the year ended 31 March 2023 which comprise Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Company 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

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 course of the audit or otherwise appears to be materially misstated.

## INDEPENDENT AUDITOR'S REPORT (continued)

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If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities, the Directors are 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 Directors 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 Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company 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 capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## INDEPENDENT AUDITOR'S REPORT (continued)

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### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance (including also consider legal counsel, board of directors, compliance manager);
- Obtaining and understanding of the Companies policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be FRS 102, UK Tax legislation & the VAT Act.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;

### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias.

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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Hamid Ghafoor*

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**Hamid Ghafoor (Senior Statutory Auditor)**

For and on behalf of BDO LLP, Statutory Auditor  
Manchester, UK

05 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# FINANCIAL STATEMENTS

## Statement of Comprehensive Income for the year ended 31 March 2023

		2023	2022
	Notes	£'000	£'000
<b>Turnover</b>		-	-
Cost of sales		-	-
Operating costs		<b>(9)</b>	(3)
<b>Operating profit/(loss)</b>		<b>(9)</b>	(3)
Share of operating profit in joint venture	4	<b>258</b>	131
Interest receivable and similar income	5	<b>162</b>	157
Interest payable and similar charges	6	<b>(190)</b>	(170)
<b>Profit on ordinary activities before taxation</b>		<b>221</b>	115
Taxation on profit on ordinary activities	9	-	-
<b>Profit for the year after taxation</b>		<b>221</b>	115
<b>Other comprehensive income</b>		-	-
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<b>221</b>	115

The accompanying notes form part of these financial statements.

Historical cost surpluses and deficits are the same as those shown in the statement of comprehensive income.

## Statement of Changes in Equity

	Non-equity share capital £'000	Revenue reserves £'000	Total reserves £'000
<b>Balance at 31 March 2021</b>	50	60	<b>110</b>
<b>Total comprehensive income for the period</b>			
Profit for the year	-	115	<b>115</b>
<b>Balance at 31 March 2022</b>	50	175	<b>225</b>
<b>Total comprehensive income for the period</b>			
Profit for the year	-	221	<b>221</b>
<b>Balance at 31 March 2023</b>	<b>50</b>	396	<b>446</b>

The accompanying notes form part of these financial statements.

# FINANCIAL STATEMENTS (continued)

## Statement of Financial Position as at 31 March 2023

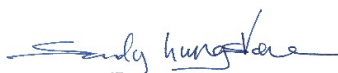
	Notes	2023 £'000	2022 £'000
<b>Tangible fixed assets</b>			
Investments including properties	11	1,188	721
<b>Debtors due after one year</b>			
<b>Current assets</b>			
Debtors due within one year	10	30	3,791
Cash and cash equivalents		219	1
		<b>1,437</b>	4,513
Creditors: amounts falling due within one year	12	(3)	(3,567)
<b>Net current assets</b>		<b>1,434</b>	946
<b>Total assets less current liabilities</b>			
		<b>1,434</b>	946
Creditors: amounts falling due after one year	13	(988)	(721)
<b>Total net assets</b>		<b>446</b>	225
<b>Capital and reserves</b>			
Non-equity share capital	14	50	50
Revenue reserves		396	175
<b>Total capital and reserves</b>		<b>446</b>	225

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 29<sup>th</sup> August 2023 and signed on its behalf by:



.....  
Mike Gerrard  
Director



.....  
Alexander Livingstone  
Director



.....  
Catherine Farrington  
Company Secretary

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Legal status

Atrium City Living Limited is registered under the Companies Act 2006, registration number 4710066. The registered office is Renaissance Court, 2 Christie Way, Didsbury, Manchester, England, M21 7QY.

Atrium City Living Limited is a trading subsidiary of Onward Homes Limited, a charitable Registered Society under the Cooperative and Community Benefit Societies Act 2014. It is registered with the Financial Conduct Authority, registration number of 17186R.

## 2. Accounting policies

### a) Basis of accounting

The financial statements of the Company are prepared in accordance with Financial Reporting Standard 102 –the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102).

The financial statements are presented in sterling (£) and have been rounded to the nearest £1,000 unless stated otherwise.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- The requirements of Section 33 Related Party Disclosures paragraph 33.8;
- The requirements of section 33 Key Management Personnel Compensation 33.6.

The Company's ultimate parent undertaking is Onward Group Limited. This information is included in the consolidated financial statements of Onward Group Limited as at 31 March 2023 and these statements may be obtained from Renaissance Court, 2 Christie Way, Didsbury, Manchester, England, M21 7QY.

### b) Measurement convention

The financial statements are prepared on the historical cost basis.

### c) Going concern

The Company's business activities, its current financial position, net assets of £446k (2022: £225k) and factors likely to affect its future investment activity are set out within the Directors' Report. The Company has in place debt facilities of £2.20m (2022: £5.95m), of which £1.21m is undrawn (2022: £1.66m) and cash and cash equivalents of £219k (2022: £1k).

During the year the intra-group loan relating to investing activity with CRDP Developments LLP was repaid in full to Onward Homes Limited. The remaining facility provides adequate resources to planned investments in the one remaining Joint Venture. The Company has a long-term business plan which shows that it can service its intra-group loan. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

Despite inflationary challenges and early delays due to Covid-19 and the planning application process, the partnership with CRDP Development LLP successfully secured and yielded forty-three new affordable homes for Onward in one of its key growth areas (Preston). It returned agreed profit levels and has established a mechanism and pattern of potential future working with large regional housebuilders in the North-West.

On this basis, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### d) Judgement and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements, estimates and assumptions have had the most significant effect in amounts recognised in the financial statements.

**Basic financial instruments;** The assessment of certain loans and interest rate fixes as basic financial instruments requires judgement. Such instruments have been reviewed in detail and have been assessed as basic because key clauses indicate that funders will not suffer a loss on breakage.

**Joint venture investment;** the following investments are held in joint ventures (JVs):

- Atrium City Living Limited has an investment in the Greater Manchester JV; Hive Homes of £2.6m split between £0.8m equity and £1.8m debt. It is one of 10 investors and therefore the accounting is as a minority shareholder
- Atrium City Living Limited had an investment in the Goosnargh JV. (£3.5m). There were only two investors and it was a 50/50 risk/reward relationship. This JV concluded during the financial year once the last homes were sold.

Atrium City Living will account for these JVs in accordance to the accounting standards applicable to ensure appropriate disclosures. This year an operating profit of £258,000 (2022: £131,000) has been brought into the Statement of Comprehensive Income to recognised the 50% share of operating profit in the Goosnargh joint venture which has now concluded.

### e) Basic financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model. These include bank loans.

Atrium City Living does not have any financial instruments which fall into the non-basic financial instrument category.

#### Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### **f) Interest**

Interest payable and similar charges include interest payable and finance charges on liabilities recognised in the statement of comprehensive income using the effective interest method and unwinding of the discount on provisions. Other interest receivable and similar income includes interest receivable on funds invested.

### **g) Taxation**

The tax charge for the year is based on the profit for the year end and includes current tax on any taxable profits for the year and deferred taxation.

Current tax is the expected tax payable or receivable on the taxable income or deficit for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

### **h) Value added tax**

Atrium is part of the Onward Group Limited VAT group which is VAT registered. However, a large proportion of the Group's income, rents and service charges are exempt from VAT giving rise to a partial exemption calculation. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

### **i) Investment in joint venture**

In accordance to FRS 102 accounting standards where a separate entity is set up which represents the joint venture and the entity which has the interest is not a parent Company, all its interests in the jointly controlled entity shall be accounted for using either the costing model or at fair value, with changes in fair value being recognised in profit and loss.

During financial year 22-23 Atrium City Living Ltd ("Atrium") had a 50% interest in the joint venture CRDP Developments LLP, with the other 50% being held by Seddon RDP Limited. Atrium has taken the decision to account for the interests in the joint venture at cost less any accumulated impairment losses.

In the year CRDP Developments LLP repaid the loan to Atrium City Living in full. Atrium City Living Ltd has also recognised its share of the joint venture operating profit as at 31 March 2023 of £258,000 (2022: £132,000).

Atrium also has a minority interest in the Greater Manchester JV (Hive Homes). It is one of 10 investors and therefore the accounting is as a minority shareholder.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. Operating loss

	2023 £'000	2022 £'000
Operating profit/(loss) is stated after charging:		
Auditor's remuneration (excluding VAT): In their capacity as auditors	-	-

Audit fees and fees to the auditors for other services were paid by Onward Group Limited in the year and recharged via group charges to all subsidiaries.

### 4. Share of operating profit/(loss) in joint venture

	2023 £'000	2022 £'000
Share of operating profit/(loss) in joint venture	258	131
	<b>258</b>	<b>131</b>

Share of operating profit with joint venture CRPD.

### 5. Interest receivable

	2023 £'000	2022 £'000
Joint venture loan interest	162	157
	<b>162</b>	<b>157</b>

### 6. Interest payable

	2023 £'000	2022 £'000
Intercompany loan interest	(190)	(170)
	<b>(190)</b>	<b>(170)</b>

### 7. Board members

No remuneration was paid to the directors on the Board in their capacity as directors of the Association.

### 8. Employee information

There were no staffing costs attributable to Atrium City Living Ltd in the 22/23 or 21/22 financial years.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. Taxation

	2023 £'000	2022 £'000
<b>UK corporation tax</b>		
Current tax charge for the year	-	-
Adjustment in respect of previous years	-	-
	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Adjustment in respect of previous years	-	-
Effect of tax charge on opening balance	-	-
<b>Total tax charge on profit/(loss) on ordinary activities</b>	-	-

All amounts of taxation are recognised in the statement of comprehensive income.

#### Factors affecting the tax charge for the period

The current rate of tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2021:19%). The differences are explained below:

	2023 £'000	2022 £'000
Profit on ordinary activities before taxation	221	115
Current tax at standard corporation tax rate	41	22
Expenses not deductible for tax purposes	-	24
Income not taxable for tax purposes	(48)	(24)
Group relief surrendered / (claimed)	-	(22)
Deferred tax not recognised	7	-
<b>Total tax charge on profit on ordinary activities</b>	-	-

As of 31 March 2023, the main rate of corporation tax in the UK was 19%. This will rise to 25% with effect from 1 April 2023, which was substantively enacted in the Finance Bill 2021 on 10 June 2021.

<b>Deferred taxation</b>	2023 £'000	2022 £'000
The movement in the year is as follows:		
Net tax (asset)/liability at start of the year	-	-
Difference between accumulated depreciation and capital allowances	-	-
Unused tax losses	-	-
Other short term timing difference	-	-
<b>Net tax (asset)/liability at end of the year</b>	-	-

Since the company has considerable trading losses available for carry forward, no deferred tax asset is recognised in the accounts. At the rate of 25%, the deferred tax asset, if recognised, would amount to £13,000 (2022: £4,000)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10. Debtors: amounts falling due within one year

	2023 £'000	2022 £'000
<b>Amounts falling due within one year:</b>		
Accrued loan interest from joint venture	30	300
Amounts owed by related parties	-	-
Owed by joint ventures	-	3,491
	<b>30</b>	<b>3,791</b>

Amounts due from joint ventures has reduced significantly following the closure of CRDP LLP and the subsequent repayment of funds to Atrium city living.

### 11. Investments

	Joint Venture Investment £'000	Joint Venture Share of Profit/(Loss) £'000	Total £'000
At 1 April 2022	740	(19)	721
Additions	222	-	222
Share of joint venture profit	-	258	258
JV profit received	-	(13)	(13)
<b>At 31 March 2023</b>	<b>962</b>	<b>226</b>	<b>1,188</b>

The investment in the year was the further instalment of equity investment into the Greater Manchester Joint Venture (GMJV) (Hive Homes).

### 12. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Amounts owed to related parties	(3)	(2)
Loans owed to related parties	-	(3,565)
	<b>(3)</b>	<b>(3,567)</b>

Amounts owed to related parties are due on demand and interest free.

The loan with Onward Homes Limited in relation the CRDP LLP investment has been repaid in full during the year in line with the agreement.

### 13. Creditors: amounts falling due after one year

	2023 £'000	2022 £'000
Loans owed to related parties	(988)	(721)
	<b>(988)</b>	<b>(721)</b>

The loans owed by related parties of £988k is due for repayment in full in 2026, as per the loan agreement.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 14. Non-equity share capital

	2023 £	2022 £
Shares of £1 each fully paid and issued:		
At start of the year	50,001	50,001
<b>At end of the year</b>	<b>50,001</b>	<b>50,001</b>

This note is shown in £s rather than £'000s

### 15. Transactions with related parties

There are no related party transactions during the year, with the exception of transactions with wholly owned members of the group. Atrium City Living Ltd has opted to take the disclosure exemption under the requirements of section 33 Related Party Disclosures paragraph 33.8 of FRS102 and as such do not need to report of these transactions.

### 16. Capital commitments

There were no capital commitments as at 31 March 2023 (2022: £ nil).

### 17. Contingent liabilities

There were no contingent liabilities as at 31 March 2023 (2022: £ nil).

### 18. Ultimate parent Company and parent Company of larger group

The Company's immediate parent Company is Onward Homes Limited (17186R) a charitable Registered Society under the Cooperative and Community Benefit Societies Act 2014. The Company's ultimate parent undertaking and controlling party is Onward Group Limited, a non-charitable Registered Society under the Cooperative and Community Benefit Societies Act 2014. This is the smallest and largest group of undertakings for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from its registered office: Renaissance Court, 2 Christie Way, Didsbury, Manchester M21 7QY.

### 19. Post Balance Sheet Events

There were no significant post balance sheet events requiring adjustment to the financial statements.