

Onward

Atrium City Living Limited

**Annual Report and Financial Statements for the year
ended 31 March 2024**

Companies House registration number 4710066

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BOARD AND ADVISORS

Members of the Board

Bronwen Rapley

Alexander Livingstone

Matthew Saye

Danielle James (appointed 5 December 2023)

Michael Gerrard (resigned 31 October 2023)

Jacqueline Carter (appointed 1 April 2024)

Company Secretary

Catherine Farrington (resigned 16 February 2024)

Sara Byrne (appointed 16 February 2024)

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

STRATEGIC REPORT

Introduction

The Board presents its strategic report, containing the operating and financial review for the year ended 31 March 2024.

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. Atrium holds an investment with the Greater Manchester Joint Venture (GMJV). In 2022/23 Atrium held an investment in CRDP LLP – a joint venture with Seddon Construction to build homes in Goosnargh, Preston. This joint venture concluded in March 2023 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 City Living Limited is a wholly owned subsidiary of Onward Homes Limited.

Financial review

The Company is reporting a loss in the year of £3k (2023: profit £221k). The Company ended the year with a cash balance of £173k (2023: £219k). This year the Company has recognised its share of the operating profit in the CRDP LLP joint venture of £47k (2023: £258k). £29k in relation to a profit share received from GMJV and an additional £18k in relation to the in-year write off of an investment gain in the CRDP investment which concluded in FY22/23.

Operating review

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

Despite inflationary challenges, early delays due to Covid-19 and capacity constraints within local authority partners, GMJV has been successful in establishing itself as a development company. Progress to date includes:

- The successful and profitable delivery of the first site, Osprey Place,
- Acquisition and on-site at two further schemes,
- A strong pipeline of derivable schemes including four with Brownfield Land Funding.

Due to impact of the early delays experienced, the Onward Group Board agreed an extension to the original business plan timescales from 7 years to 10 years in January 2024. The extension will allow for the completion of the proposed development programme and will deliver an increased combined return of net profit and finance charges compared to the original seven year proposal.

The investment Atrium held in CRDP LLP successfully secured and yielded 43 new affordable homes for Onward in one of its key growth areas (Preston). It also returned agreed profit levels and has established a mechanism of potential future working with large regional housebuilders in the North-West. This joint venture investment concluded in March 2023.

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 4th September 2024 and signed on its behalf by:

STRATEGIC REPORT

Sara E. Byrne

Sara Bryne

Company Secretary

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

DIRECTOR'S REPORT

The Board presents the Atrium City Living Limited Annual Report (the Annual Report') and the audited financial statements for the year ended 31 March 2024.

Principal activities

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

Board members

The 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 diverse 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 our work with our contractors and partners.

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 committees as follows:

- Audit and Risk - oversight of audit and risk matters for the Group.
- Treasury & Finance – 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.

Corporate social responsibility

Our corporate plan defines the commitment we have made as a socially responsible organisation. We act as enablers, supporting people and communities to fulfil their aspirations and potential by giving them choice, control and responsibility.

As an organisation we work in partnership with our stakeholders, doing more together, by sharing knowledge, coordinating resources and focusing on what will give our communities the best outcome.

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

DIRECTOR'S REPORT

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.

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

Internal controls are subject to regular independent review by Beever and Struthers, our internal audit partners, who provide assurance on the operation of the control framework and the management of risk. The internal audit plan was approved by the Audit and Risk Committee and the plan is regularly reviewed during the year to ensure it continues to reflect our risk environment.

The Audit and Risk Committee oversees the work of the internal auditor and is responsible for monitoring that actions identified as a result of internal audit findings are implemented in a timely fashion

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.

DIRECTOR'S REPORT

Statement of internal control (cont'd)

Fraud

There is a zero tolerance approach to fraud and has a number of policies are in place to support fraud prevention. In addition, fraud risk registers are maintained and the controls tested to ensure controls established to prevent and detect fraud are operating effectively.

Review of risk management and governance arrangements

The Company has an effective risk management framework. Our risk management framework is an established methodology that supports the identification, assessment, management and reporting of the risks facing our organisation.

Conclusion

The Board acknowledges that its responsibility applies to the full range of risks and controls across all Company activities.

The Board has considered the effectiveness of the system of internal control in place in the year ended 31 March 2024. The Board considers that systems of internal control, governance and risk management arrangements are working effectively.

Going concern

The Company's business activities, its current financial position, net assets of £443k (2023: £446k) and factors likely to affect its future investment activity are set out within the Directors' Report. The Company has in place debt facilities of £3.0m (2023: £2.20m), of which £1.91m is drawn (2023: £1.21m) and cash and cash equivalents of £173k (2023: £219k). Once the JV is fully operational and profit making the funds on lend will be repaid, following completion of development. In May 2024 the intra-group facility was increased to £3.0m to support the investment in GMJV.

During the year the Company has faced a challenging economic climate of high inflation and increasing interest costs. Atrium has been able to mitigate the effects of the interest rate increases due to the fixed rate of interest charged on the intra-group loan it has with Onward Homes.

The Onward Group Board agreed an extension to the original timescales of the business plan from 7 years to 10 years to allow for the completion of the proposed development programme which will deliver an increased combined return compared to the original 7-year proposal.

As part of the extension of the JV the Board also considered the interest rate charged on the intra-group loan and noted that the rate of 6.0% in the original agreement was low in context of current interest rates as a result, the rate was increased to 7.2%.

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.

DIRECTOR'S REPORT

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 4th September 2024 and signed on its behalf by:



Sara E. Byrne

Sara Bryne

Company Secretary

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

INDEPENDENT AUDITOR'S REPORT

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 2024 and of its loss 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 2024 which comprise Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and notes to the financial statements. 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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. 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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:

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 (Board of Directors); and
- 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;
- 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;

INDEPENDENT AUDITOR'S REPORT (continued)

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

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;

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


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:


829727ECC12041D...

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK

09 September 2024

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

		2024	2023
	Notes	£'000	£'000
Turnover		-	-
Operating costs		(19)	(9)
Operating loss		(19)	(9)
Share of operating profit in joint venture	4	47	258
Interest receivable and similar income	5	55	162
Interest payable and similar charges	6	(86)	(190)
(Loss)/Profit on ordinary activities before taxation		(3)	221
Taxation on profit on ordinary activities	9	-	-
(Loss)/Profit for the year after taxation		(3)	221
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive (loss)/income for the year		(3)	221

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
Balance at 31 March 2022	50	175	225
Total comprehensive income for the period			
Profit for the year	-	221	221
Balance at 31 March 2023	50	396	446
Total comprehensive income for the period			
Loss for the year	-	(3)	(3)
Balance at 31 March 2024	50	393	443

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS (continued)

Statement of Financial Position as at 31 March 2024

		2024	2023
	Notes	£'000	£'000
Tangible fixed assets			
Investments	11	2,261	1,188
Current assets			
Debtors due within one year	10	85	30
Cash and cash equivalents		173	219
		2,519	1,437
Creditors: amounts falling due within one year	12	(3)	(3)
Net current assets		2,516	1,434
Total assets less current liabilities			
		2,516	1,434
Creditors: amounts falling due after one year	13	(2,073)	(988)
Total net assets		443	446
Capital and reserves			
Non-equity share capital	14	50	50
Revenue reserves		393	396
Total capital and reserves		443	446

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board on 4th September 2024 and signed on its behalf by:

DMJames

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Danielle James
Director

Sandy Livingstone

.....

Sandy Livingstone
Director

Sara E. Byrne

.....

Sara Byrne
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 2024 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 £443k (2023: £446k) and factors likely to affect its future investment activity are set out within the Directors' Report. The Company has in place debt facilities of £3.0m (2023: £2.20m), of which £1.91m is drawn (2023: £1.21m) and cash and cash equivalents of £173k (2023: £219k). Once the JV is fully operational and profit making, the funds on lent will be repaid, following completion of development. In May 2024 the intra-group facility was increased to £3.0m, to support the investment in GMJV.

During the year the Company has faced a challenging economic climate of high inflation and increasing interest costs. Atrium has been able to mitigate the effects of the interest rate increases due to the fixed rate of interest charged on the intra-group loan it has with Onward Homes.

Due to impact of the early delays experienced as part of GMJV, the Onward Group Board agreed an extension to the original timescales of the business plan from 7 years to 10 years. The extension will allow for the completion of the proposed development programme and will deliver an increased combined return of net profit and finance charges compared to the original 7 year proposal.

As part of the extension of the JV the Board also considered the interest rate charged on the intra-group loan and noted that the rate of 6.0% in the original agreement was low in context of current interest rates as a result, the rate was increased to 7.2%.

NOTES TO THE FINANCIAL STATEMENTS (continued)

c) Going concern (cont'd)

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.

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 investment is held in joint ventures (JVs):

- Atrium City Living Limited has an investment in the Greater Manchester JV; Hive Homes of £3.0m. Thus far Atrium has invested £2.26m split between £0.8m equity and £1.46m debt. It is one of 10 investors and therefore the accounting is as a minority shareholder

In FY22/23 Atrium held an investment in CRDP LLP - a joint venture with Seddon Construction to build homes in Goosnargh, Preston. This arrangement concluded in March 2023 with the final homes being completed and sold.

Atrium City Living will account for the remaining JV in accordance with the accounting standards applicable to ensure appropriate disclosures. This year a JV operating profit of £47k (2023: £258k) has been brought into the Statement of Comprehensive Income. £29k in relation to a profit share received from GMJV and an additional £18k in relation to the in-year write off of an investment gain in the CRDP investment which concluded in FY22/23.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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. There is no bank overdraft facility.

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. Atrium have applied the cost model.

Atrium 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

	2024 £'000	2023 £'000
Operating profit/(loss) is stated after charging:		
Auditor's remuneration (excluding VAT): In their capacity as auditors	1	-

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

	2024 £'000	2023 £'000
Share of operating profit/(loss) in joint venture	47	258
	47	258

5. Interest receivable

	2024 £'000	2023 £'000
Joint venture loan interest	55	162
	55	162

6. Interest payable

	2024 £'000	2023 £'000
Intercompany loan interest	(86)	(190)
	(86)	(190)

7. Board members

No remuneration was paid to the Directors on the Board in their capacity as Directors of the Company.

8. Employee information

There were no staffing costs attributable to Atrium City Living Ltd in the 23/24 or 22/23 financial years.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Taxation

	2024 £'000	2023 £'000
UK corporation tax		
Current tax charge for the year	-	-
Adjustment in respect of previous years	-	-
	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustment in respect of previous years	-	-
Effect of tax charge on opening balance	-	-
Total tax charge on profit/(loss) on ordinary activities	-	-

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 25% (2023:19%). The differences are explained below:

	2024 £'000	2023 £'000
(Loss)/profit on ordinary activities before taxation	(3)	221
Current tax at standard corporation tax rate	(1)	41
Expenses not deductible for tax purposes	22	-
Income not taxable for tax purposes	-	(48)
Group relief surrendered / (claimed)	(9)	-
Deferred tax not recognised	(12)	7
Total tax charge on (loss)/profit on ordinary activities	-	-

As of 31 March 2024, the main rate of corporation tax in the UK was 25% (2023: 19%).

Deferred taxation	2024 £'000	2023 £'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	-	-
Net tax (asset)/liability at end of the year	-	-

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 £19,000 (2023: £13,000)

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Debtors: amounts falling due within one year

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Accrued loan interest from joint venture	85	30
	85	30

11. Investments

	Joint Venture Investment £'000	JV Profit Release £'000	Total £'000
At 1 April 2023	962	226	1,188
Additions	1,299	-	1,299
JV profit release	-	(226)	(226)
At 31 March 2024	2,261	-	2,261

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

12. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Amounts owed to related parties	(3)	(3)
	(3)	(3)

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

13. Creditors: amounts falling due after one year

	2024 £'000	2023 £'000
Loans owed to related parties	(2,073)	(988)
	(2,073)	(988)

The loans owed to related parties of £2,073k is due for repayment in full in 2030, as per the loan agreement. On the £2,073k drawn balance £1,914k relates to debt and £159k relates to capitalised interest.

14. Non-equity share capital

	2024 £	2023 £
Shares of £1 each fully paid and issued:		
At start of the year	50,001	50,001
At end of the year	50,001	50,001

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2024 (2023: £ nil).

17. Contingent liabilities

There were no contingent liabilities as at 31 March 2024 (2023: £ 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.