AZETS

Manor Estates Associates Ltd

MANOR ESTATES ASSOCIATES LIMITED
Company registration number SC337537
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

MANOR ESTATES ASSOCIATES LIMITED

COMPANY INFORMATION

Directors	Andrew Moodie (Chair) Brian McMurray Carole Tait George Fyvie Geoff Kitchener Chris Jayne Ann Moore Erin Slater
Registered number	SC337537
Registered office	5 New Mart Place Edinburgh EH14 1RW
Independent auditor	Azets Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF
Bankers	Royal Bank of Scotland plc PO Box 1727 Edinburgh EH12 9JN Santander Bootle Merseyside L30 4GB
Solicitors	TC Young Melrose House 69 George Street Edinburgh EH2 2JG

MANOR ESTATES ASSOCIATES LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements of the company for the year ended 31 March 2023.

Directors' responsibilities statement

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities). 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 for the company's financial statements 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 to 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.

Principal activities and business review

Manor Estates Associates Limited (MEA Ltd) leases and manages 80 MMR properties from its parent Manor Estates Housing Association (MEHA).

MEA Ltd has entered into a Service Level Agreement with its parent company through which it purchases the necessary staff and administration resources.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Directors

The directors who served during the year and up to the date these financial statements were signed were:

Andrew Moodie (Chair)
Carole Tait
Brian McMurray
George Fyvie
Geoff Kitchener
Chris Jayne
Ann Moore (appointed 22 September 2022)
Erin Slater (appointed 22 September 2022)

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Azets Audit Services have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the Annual General Meeting.

Small companies' exemption

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 22nd June 2023 and signed on its behalf by:

.....
Andrew Moodie
Director

Opinion

We have audited the financial statements of Manor Estates Associates Limited for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the 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 Section 1A 'Small Entities' of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 audit opinion.

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.

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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 and 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 the directors

As explained more fully in the Directors' Responsibilities Statement on page 1, 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 Auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence,

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

- capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR ESTATES ASSOCIATES LIMITED

FOR THE YEAR ENDED 31 MARCH 2023

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, as a body, those matters we are required to state to them in an Auditors' 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.

J. Alexander

Jennifer Alexander, Senior Statutory Auditor
For and on behalf of Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF
Date: 22 Jno 2023

MANOR ESTATES ASSOCIATES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover		**627,259**	*600,894*
Administrative expenses		**(621,625)**	*(570,718)*
Operating profit	4	**5,634**	*30,176*
Investment income received		**-**	*-*
Profit before tax		**5,634**	*30,176*
Tax on profit	5	**-**	*-*
Profit for the year		**5,634**	*30,176*
Retained earnings at the beginning of the year		**30,176**	*24,549*
Distributions during the year	9	**(30,176)**	*(24,549)*
Profit for the year		**5,634**	*30,176*
Retained earnings at the end of the year		**5,634**	*30,176*

All activities relate to continuing operations.

The notes on pages 9 to 12 form part of these financial statements.

MANOR ESTATES ASSOCIATES LIMITED

BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		2022 £
Current assets					
Debtors	6		**10,712**		*34,836*
Cash and cash equivalents			**999**		*999*
			11,711		*35,835*
Creditors: amounts falling due within one year	7	**(5,977)**		*(5,559)*	
Net current assets			**5,734**		*30,276*
Capital and reserves					
Called up share capital			**100**		*100*
Profit and loss account			**5,634**		*30,176*
			5,734		*30,276*

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22nd June 2023 by:

Andrew Moodie
Director

Company Registration Number SC337537

The notes on pages 9 to 12 form part of these financial statements.

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 March 2023.

The principal activities of the company during the period continued to be the management and maintenance of Mid-Market Rent (MMR) properties and garages leased from its parent company, Manor Estates Housing Association Limited (MEHA).

The company is a private company limited by shares and is incorporated in United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC337537.

2. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

3. Accounting policies

Going concern

The financial statements have been prepared on a going concern basis. The directors have assessed the company's ability to continue as a going concern and have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements. As a subsidiary of Manor Estates Housing Association, there is no issue with the going concern status due to the continued support of Manor Estates Housing Association. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future, and the resulting accounting estimates will, by definition, frequently not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

Impairment of debtors
The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considered factors including the ageing profile of debtors and historical experience. See note 6 for carrying amount of debtors.

3. Accounting policies (continued)

Turnover

The turnover shown in the Statement of Income and Retained Earnings represents amounts earned during the period.

In respect of contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of contracts for on-going services is recognised by reference to the stage of completion.

Leasing

Rentals payable under operating lease are charged to the Statement of Income and Retained Earnings on a straight line basis over the period of the lease.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments, such as trade debtors, cash and trade creditors, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

4. Operating profit

	2023	2022
	£	£
The operating profit is stated after charging:		
Auditor's remuneration – audit fees (incl VAT)	**6,127**	*4,482*
Auditor's remuneration – taxation services (incl VAT)	**1,020**	*840*

The company has no employees (*2022 – 0*) and the directors of the company received no remuneration.

5. Taxation

As a result of the proposed distribution in the form of gift aid to Manor Housing Association Limited of £5,734 *(2022 - £30,176)* which will be paid within 9 months of the year end, there is no corporation tax charge for the year ended 31 March 2023 *(2022 - £nil)*.

6. Debtors

	2023	2022
	£	£
Rental Arrears	**9,217**	*3,882*
Doubtful debt provision	**(5,758)**	*(1,823)*
Other trade debtors	**79**	*1,985*
Amounts due from parent undertaking	**7,174**	*30,792*
	10,712	*34,836*

7. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals	**5,977**	*5,559*
	5,977	*5,559*

8. Leasing Commitments

	Land and Buildings 2023 £	*Land and Buildings 2022 £*
The total future minimum lease payments payable under non-cancellable operating leases are:		
Due within 1 year	**137,517**	*415,284*
Due between 1 – 5 years	**106,194**	*307,089*
	243,711	*722,373*

9. Related party transactions

Management and administration services are provided by Manor Estates Housing Association Limited, the parent undertaking (MEHA). These costs amounted to £17,081 in the year *(2022 - £11,786)*. In addition, management charges of £46,376 *(2022 - £44,029)* and lease costs of £415,284 *(2022 - £394,129)* were incurred by the company in relation to MMR properties and Garages leased from MEHA.

The balance owed from MEHA at 31 March 2023 was £7,174 and is included in debtors *(2022: £30,792)*.

A distribution in the form of gift aid of £30,176 *(2022 - £24,549)* was paid by Manor Estates Associates Limited to Manor Estates Housing Association Limited during the year.

There is a proposal to make a distribution in the form of a gift aid payment of £5,634 (*2022* – £30,176) next year to Manor Estates Housing Association Limited.

10. Ultimate parent undertaking

Manor Estates Associates Limited is a wholly owned subsidiary of Manor Estates Housing Association Limited. These financial statements are consolidated into the financial statements of Manor Estates Housing Association Limited. Manor Estates Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act 2014, is a Scottish Charity and a Registered Social Landlord (registered with The Scottish Housing Regulator), and its registered office is 5 New Mart Place, Edinburgh, EH14 1RW.

MANOR ESTATES ASSOCIATES LIMITED

DETAILED PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 2023

	£	2023 £	£	2022 £
Turnover				
Rental Income: MMR		**605,760**		*585,738*
Garages		**-**		*315*
		605,760		*586,053*
Voids		**(1,361)**		*(4,411)*
		604,399		*581,642*
Factoring fees		**22,860**		*19,252*
		627,259		*600,894*
Overheads				
Management and administration costs	**17,081**		*11,786*	
Service costs	**128,167**		*119,739*	
Professional fees	**9,150**		*5,199*	
Advertising costs	**380**		*885*	
Bad debt written off	**4,947**		*(5,688)*	
Management charge	**46,376**		*44,029*	
Lease costs	**415,284**		*394,129*	
Bank Charges	**240**		*639*	
	621,625		*570,718*	
		621,625		*570,718*
Operating profit		**5,634**		*30,176*
Interest receivable		**-**		*-*
Profit on ordinary activities before taxation		**5,634**		*30,176*

This page does not form part of the statutory financial statements.