AZETS

MANOR ESTATES Housing Association

MANOR ESTATES HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Scottish Charity Number SC023106
Registered with the Financial Conduct Authority No. 2484RS
Registered Housing Association No. HEP 284

MANOR ESTATES HOUSING ASSOCIATION LIMITED

BOARD, EXECUTIVES AND ADVISERS

Board	Ian Crawford (Chair) Phil Rowsby (Vice Chair) Rachel Hutton Andrew Clark Geoff Kitchener Willie Raeburn Roddy Elliott Laura Fordyce Jo McFadyen Ainan Groat
Chief Executive	Claire Ironside
Secretary	Claire Ironside
Registered office	Suite 4, 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 36 St Andrew Square Edinburgh EH2 2AD
Solicitors	TC Young Melrose House 69 George Street Edinburgh EH2 2JG
Financial Conduct Authority No.	2484R(S)
Registered with the Scottish Housing Regulator:	HEP 284
Scottish Charity Number:	SC 023106

MANOR ESTATES HOUSING ASSOCIATION LIMITED

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MANOR ESTATES HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2025

The members of the Board have pleasure in presenting their report on the Association for the year ended 31 March 2025.

Principal Activities

The principal activity of Manor Estates Housing Association is the development, management and maintenance of housing for people in housing need.

Membership of Board
Members of the Board during the year (to the date of this report) and their attendance at meetings that they could have attended in the year were: -

	Board Attendance	Audit Committee Attendance
Rachel Hutton (Chair to September 2024)	100%	25%
Ian Crawford (Vice Chair and then Chair from September 2024)	100%	
Phil Rowsby (Vice Chair from September 2024)	88%	
Andrew Clark	75%	100%
Geoff Kitchener	100%	
Willie Raeburn	100%	100%
Roddy Elliott	100%	100%
Laura Fordyce	88%	75%
Jo McFadyen (co-opted 28 August 24, appointed 4th September 2024)	80%	
Olivia Nolan (co-opted 28 August 24, appointed 4th September 2024, resigned January 2025)	67%	
Ainan Groat (co-opted November 2024)	100%	

Business review

Introduction:
Based on our review of the current position and future forecasts the Board believe it is appropriate to prepare the financial statements for Manor Estates Housing Association Ltd (the Association) on a going concern basis. No foreseeable material uncertainties that cast significant doubt about the ability of the Association to continue as a going concern have been identified by the governing body, the Board.

The Board is confident that we have sufficient reserves and income to cover the costs of the Association's business over future years and to carry out our long term planned maintenance programme.

The Association's main source of income is the rent paid by tenants. In the current economic climate and because of both restrictions to welfare benefit entitlements and austerity, there is an increased risk that the Association's success in collecting rents may reduce. The Association continues to maximise its rental income by maintaining good performance in managing the level of rent arrears and rent lost as a result of properties being void and unlet. This combined with a proactive approach and assistance provided to tenants seeking assistance in claiming welfare benefits will continue to mitigate the impacts of reduced income available to tenants as well as the cost-of-living crisis.

The Board receives and reviews a range of key performance indicators and risks at regular intervals. In addition, a mid-year budget review is undertaken. These reviews allow the Board to ensure effective oversight of the Association's operations and financial affairs and to quickly introduce appropriate or mitigating action should it be necessary.

Business Activities

During 2024/25 the Association continued its major programme of expenditure on managing and maintaining its properties. The Association's subsidiary company, Manor Estates Associates Limited (MEA Limited) continued trading, undertaking a range of complimentary activities.

Business Activities (continued)

The Association has continued to work through a programme of energy efficiency measures, to assist in meeting the Energy Efficiency Standard for Social Housing (EESSH1) with minimal exemptions. The Association has included an initial sum for component spend profile in the 30-year Financial Plan for meeting the Scottish Social Housing Net Zero Standard (SHNZS) across our stock base. No alternative funding streams have yet been identified that are available to the Association to assist in meeting the SHNZS target at the present time. The Association is still waiting for clarification from Scottish Government as to all the aspects of the revised SHNZS compliance criteria and timescale.

MEHA shared a Welfare Advice Officer with Link HA, up until October 2024, who aided more than 88 tenants maximise their income and entitlement to benefits. During 2024/25 a total of £226,067 of additional income was attained. The Association has jointly procured a new welfare rights service with Muirhouse Housing Association from CHAI, which commenced in March 2025. MEHA has also been working in partnership with ARCHIE members to provide an Energy Advice Service. The project supported 88 tenants with energy related issues and achieved £18,010 of financial benefits.

The Association became the first landlord in Scotland to become accredited by the Dog's Trust for its pet friendly policies and practices.

MEHA also provided £20,000 to assist 61 tenants with money for household items e.g. carpets and 19 with garden equipment from its sustainment Fund. A further 49 tenants received £8,423 from other external grants for items like floor coverings and clothing.

The Association commenced its second phase of its development in South Queensferry in October 2024 for 10 terraced family homes along with 15 flats.

The Association continues to spend significant sums of money each year maintaining and improving its properties, work identified in our regularly reviewed asset management plan. A programme is in place to address minor issues in meeting the SHQS and we continue to seek cooperation to undertake works in our mixed tenure stock. The smoke and carbon monoxide detection installations are now complete and the electrical safety inspection programmes have progressed and are running six months ahead of the inspection anniversary date.

The Association continues to provide factoring services to around 1700 homeowners, principally in estates where we have an interest as a landlord. Administering factoring arrangements while recovering the costs of the factoring service remains a significant area of work for the Association, and we take all practical steps to ensure the effective management of debt, including taking legal action where necessary. We are a Registered Factor and comply fully with the requirements of the Property Factors (Scotland) Act 2011.

Manor Estates is a member of ARCHIE (Alliance of Registered Co-operatives and Housing Associations, Independent in Edinburgh) with a view to sharing experience, services and knowledge to enhance services to tenants and the communities within which the organisation operates.

The Association remains committed to providing high quality services to all our tenants.

Board:
The Association presently has ten Board members, including one tenant. The Board continues to set the strategic direction of the Association and is committed to ensuring that the organisation adheres to the highest standards of governance and probity.

The Association's Chair and Vice – Chair continue to conduct individual and collective assessments of Board performance as well as holding annual review meetings with any new Board members, where their skills and knowledge are appraised and where both collective and individual training needs are identified.

Board (continued)

Principal Risks & Uncertainties

The Association recognises the importance of identifying, evaluating and managing strategic and operational risks, and remains focussed on ensuring events and challenges which could compromise the Association's ability to deliver services are minimised.

Risk Management addresses a wide spectrum of risks, not just those associated with finance, health and safety, business continuity and insurance. It also incorporates those risks associated with service provision, effectiveness and continuity, public image (reputation), compliance with legislation, regulation and environment.

The principal risks facing the Association are:

- Operating environment uncertainty
- Service failure of a principal contractor
- Cyber security breach and
- GDPR breach

The Association's Risk Management Strategy identifies both major and minor risks. The Audit Committee, as well as the Board, is responsible for monitoring the management of major risks while management of lower-level risks is delegated to the Senior Management Team.

Staff

The Association keeps its staff resources under review to ensure that it continues to be appropriate to the scale and scope of the organisation's activities and enables us to operate effectively and efficiently in meeting the strategic objectives set by the Board.

The Association continues to engage with Investors in People (IIP) and has Gold accreditation. It remains the objective of the Association to ensure all of its employees are engaged, developed and resourced to meet the challenges of providing quality services to our tenants and customers.

The Association remain members of Employers in Voluntary Housing (EVH) and through this engagement ensures that staff terms and conditions are in line with the sector generally and that all aspects of Human Resources and Health and Safety management are effectively operated. The Association remains an accredited employer with Disability Confident, an initiative promoted by Jobcentre Plus.

The Board and senior staff, including the Chief Executive, the Depute Chief Executive/Corporate Services Director, Housing Management Director and Property Services Director are defined as the key management personnel within the Association. Remuneration for all staff including the key management personnel is based on EVH salary scales (further information is contained within note 8). The Board are all voluntary members and receive no remuneration.

Financial Review

Income and Expenditure Reserve

Details of movements in the year are below, under the surplus for the year and transfers to reserves.

Surplus for the year

The results for the Association are shown in the Statement of Comprehensive Income on page 13. The surplus for the Association is £1,139,977 *(2024 - £1,520,301)*. The surplus resulted in an increase in reserves to £23,807,426 *(2024 - £22,569,447)*.

Statement of the Board's Responsibilities

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations. Statute requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association, and of income and expenditure for the year ended on that date. In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019. The Board is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Information for the Auditor

The Board members have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Board members has confirmed that they have taken all the steps they ought to take as Board Members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Treasury Management Policy

It is the policy of the Association that any surplus funds (that is, cash not needed to meet immediate short-term needs) are invested to maximise interest income without the Association becoming open to unnecessary risk.

Rent Policy

The Rent Policy is designed to set rents that are transparent, consistent and affordable to current and prospective tenants. Rents and service charges must however cover the Association's costs and promote confidence in the Association's ability to fulfil its obligations.

Internal Financial Control

The Board is responsible for ensuring that the Association has an appropriate system of internal financial control. Whilst no system of internal financial control can provide absolute assurance against material loss or misstatement, the Association's systems and procedures are designed to provide reasonable assurance that the controls in place are operating effectively. These controls are regularly reviewed.

Audit Committee

In line with good practice, the Association has an Audit Committee. This committee meet quarterly and regularly receive reports, review risks and obtain independent comment as well as appropriate reassurances from our internal and external auditors.

Internal Audit

The Association operates an independent internal audit function, which reports directly to the Audit Committee. A programme of work has been agreed based on an Audit Needs Assessment by the internal auditors (TIAA), which assess those areas of the Association's activity where potential risks have been identified. Overall the reviews carried out by TIAA indicate that the Association has in place systems that are designed and operated to provide effective control and minimise risk.

Internal Financial Control System

The key elements of the internal financial control system are as follows:

- Documented financial regulations, including a policy on the delegation to and authority of the Senior Management Team;
- Approval by the Board of a detailed business plan and of income and expenditure and cashflow budgets;
- Approval by the Board of an annual programme for planned maintenance and improvement work, as part of the business planning and budgeting process;
- Quarterly reporting to the Board of actual results for the year to date and forecasts for the remainder of the year, including comparison to budget, with commentary on significant variations, and a half yearly budget review;
- Experienced and suitably qualified staff with executive responsibility for important business functions, and a formal staff appraisal and training systems to maintain skills and competence.

Throughout the year, the Board has monitored and reviewed the effectiveness of the Association's internal financial controls using the key elements noted above. No weaknesses in internal control resulting in material losses, contingencies or uncertainties which require disclosure in the financial statements were found.

Consolidation exemption

On 27 October 2024 the Association was granted FCA approval not to prepare consolidated financial statements which included the trading subsidiary Manor Estates Associates Limited. The exemption was granted on the basis that the results of the subsidiary were immaterial to the overall group position.

Auditor

The Association will be going out to tender for Audit Services in Autumn 2025. The successful firm will be approved at the following Audit Committee Meeting. Azets Audit Services will remain appointed until the tender exercise is completed.

By order of the Board



Claire Ironside
Secretary

Date: 25 June 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR ESTATES HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Manor Estates Housing Association Limited (the "Association") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of the Association's income and expenditure 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 Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 Board's 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 Association'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 Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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. 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.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's Responsibilities set out on page 4, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Group accounts: Section 99(3) of the Co-operative and Community Benefit Societies Act 2014

We agree with the opinion of the Management Committee of the Association that it would be of no real value to the members of the Association to consolidate or include the financial statements of the Association's subsidiary in group financial statements required to be prepared under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 for the year ended 31 March 2025, because of the immaterial nature of the subsidiary's transactions in the year. FCA exemption to produce consolidated financial statements was received on 27 October 2024.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The extent to which the audit was considered 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 and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the Association, its activities, their control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Group and the Parent Association are complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, 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, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Association through discussions with the Board members and the senior management team, and from our knowledge and experience of the RSL 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 Association, including the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Board 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.

Auditor's responsibilities for the audit of the financial statements (continued)

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

- making enquiries of the senior management team and the Board 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 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 the Board and relevant sub-committees;
- enquiring of the senior management team and the Board as to actual and potential litigation and claims;
- reviewing legal and professional fees paid in the year for indication of any actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Scottish Housing Regulator, OSCR and the and Association's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR ESTATES HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2025

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services.

Azets Audit Services
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 01/07/25

Azets Audit Services is eligible for appointment as auditor of the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT ON CORPORATE GOVERNANCE MATTERS TO THE MEMBERS OF MANOR ESTATES HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025

In addition to our audit of the financial statements, we have reviewed your statement on page 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Through enquiry of certain members of the Board and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Board's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

Azets Audit Services.

Azets Audit Services, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 01/07/25.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	**2025** **£**	*2024* *£*
Turnover	4	**7,804,557**	*7,425,983*
Operating expenditure	4	**(5,913,117)**	*(5,284,492)*
Operating surplus	4	**1,891,440**	*2,141,491*
Gain on disposal of property		**-**	*69,518*
Interest receivable	10	**33,630**	*97,703*
Interest and financing costs	10	**(785,093)**	*(794,046)*
Gift aid from subsidiary		**-**	*5,635*
Surplus before tax		**1,139,977**	*1,520,301*
Tax	11	**-**	*-*
Surplus for the year		**1,139,977**	*1,520,301*
Other comprehensive income			
Actuarial gain/(loss) in respect of pension scheme	22	**98,000**	*(411,000)*
Total comprehensive income for year		**1,237,977**	*1,109,301*

All activities relate to continuing operations.

Ian Crawford
Chair

Phil Rowsby
Vice Chair

Claire Ironside
Secretary

The notes on pages 17 to 39 form part of these financial statements.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital £	Income & Expenditure Reserve £	Total Unrestricted Funds £
Balance at 1 April 2024	89	22,569,358	22,569,447
Total comprehensive income		1,237,977	1,237,977
New shares issued	2	-	2
Shares cancelled	-	-	-
Balance at 31 March 2025	91	23,807,335	23,807,426

	Share Capital £	Income & Expenditure Reserve £	Total Unrestricted Funds £
Balance at 1 April 2023	86	21,460,057	21,460,143
Total comprehensive income	-	1,109,301	1,109,301
New shares issued	3	-	3
Shares cancelled	-	-	-
Balance at 31 March 2024	89	22,569,358	22,569,447

The notes on pages 17 to 39 form part of these financial statements.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Notes	2025	*2024*
Fixed assets			
Tangible fixed assets:			
Housing properties	12a	**44,939,178**	*43,780,333*
Other fixed assets	12b	**1,144,610**	*1,215,066*
Investments	13	**100**	*100*
		46,083,888	*44,995,499*
Current assets			
Debtors	14	**965,090**	*337,574*
Cash and cash equivalents	15a	**651,820**	*2,286,253*
Investments	15b	**-**	*500,000*
		1,616,910	*3,123,827*
Creditors: amounts falling due within one year	16	**(2,032,263)**	*(3,810,691)*
Net current (liabilities)		**(415,353)**	*(686,864)*
Total assets less current liabilities		**45,668,535**	*44,308,635*
Creditors: amounts falling due after more than one year	17	**(21,254,109)**	*(21,067,188)*
Pension – defined benefit liability	22	**(607,000)**	*(672,000)*
Total net assets		**23,807,426**	*22,569,447*
Reserves			
Share capital	18	**91**	*89*
Income and expenditure reserve		**23,807,335**	*22,569,358*
Total reserves		**23,807,426**	*22,569,447*

The financial statements were approved by the Board on 25 June 2025 and were signed on its behalf by:

Ian Crawford
Chair

Phil Rowsby
Vice Chair

Claire Ironside
Secretary

The notes on pages 17 to 39 form part of these financial statements.

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Net cash generated from operating activities	19	**1,023,312**	*3,760,540*
Cash flow from investing activities			
Purchase of tangible fixed assets		**(2,414,345)**	*(2,826,825)*
Proceeds from sale of tangible fixed assets		**-**	*211,321*
Grants received		**1,311,264**	*366,168*
Grants repaid		**-**	*(58,354)*
Gift aid		**-**	*5,635*
Interest received		**33,630**	*97,703*
		(46,139)	*1,556,188*
Cash flow from financing activities			
Interest paid		**(785,093)**	*(794,046)*
New secured loans		**9,000,000**	*-*
Repayment of borrowings		**(10,303,203)**	*(1,303,203)*
Share capital issued		**2**	*3*
		(2,088,294)	*(541,058)*
Net change in cash and cash equivalents		**(2,134,433)**	*(541,058)*
Cash and cash equivalents at beginning of year		**2,786,253**	*3,327,311*
Cash and cash equivalents at end of year		**651,820**	*2,786,253*

The notes on pages 17 to 39 form part of these financial statements.

Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	Other non-cash changes £	At 31 March 2025 £
Cash and cash equivalents				
Cash	**2,286,253**	**(1,634,433)**	**-**	**651,820**
Cash equivalents	**500,000**	**(500,000)**	**-**	
	2,786,253	**2,134,433**	**-**	**651,820**
Borrowings				
Debt due within one year	**1,303,247**	**(676,644)**		**626,603**
Debt due after one year	**9,055,422**	**(776,603)**		**8,278,819**
Total	**10,358,669**	**(1,453,247)**	**-**	**8,905,422**

1. General information

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Housing Requirements 2025 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018. The principal accounting policies are set out below.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see note 3).

The presentation currency is pounds sterling, and the financial statements are rounded to the nearest whole number.

The Association is a Co-operative and Community Benefit Society limited by shares and is incorporated in the United Kingdom. The Association is a registered social landlord in Scotland and its registered number is HEP 284. The registered address is available on the first page of the financial statements.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities.

2. Principal accounting policies

Basis of accounting
The financial statements are prepared under the historical cost basis of accounting.

Going concern
The financial statements have been prepared on a going concern basis. The Board have assessed the Association's ability to continue as a going concern and have reasonable expectation that the Association have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Turnover
Turnover represents rental and service income receivable and fees and grants from local authorities and the Scottish Government. Also included is any income from and management fees for the factoring of properties for private owners as the provision of factoring services is accounted for on an agency basis.

Income from rental and service charges and factoring activities is recognised when the Association is entitled to it, it is probable it will be received, and it can be measured reliably.

Income from revenue grants receivable have been covered in a separate accounting policy below.

2. Principal accounting policies (continued)

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.

Grant income

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where a grant is received from government and other bodies as a contribution towards the capital cost of housing schemes, the grant is recognised as income using the accrual model in accordance with SORP 2018. Unamortised capital grant is held as deferred income on the statement of financial position.

Bad and doubtful debts

Provision is made against rent arrears of current and former tenants, as well as other miscellaneous debts due to, the extent that they are considered potentially irrecoverable. Debts are classed as uncollectable after an assessment of the legislative options available to recover and consideration of specific circumstances.

Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest rate method.

Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Tangible fixed assets - Housing properties

Housing Properties are stated at cost less accumulated depreciation. Works to existing properties will generally be capitalised under the following circumstances:

(i) Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life is replaced or restored; or

(ii) Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

Works to existing properties which fail to meet the above criteria are charged to the Statement of Comprehensive Income.

2. Principal accounting policies (continued)

Depreciation

Depreciation is charged on a straight line basis over the expected economic useful lives of each major component that makes up the housing property as follows:

Land	not depreciated	
Roof	65 years	(Depreciated at 1.54% per annum)
Walls	65 years	(Depreciated at 1.54% per annum)
Bathroom	30 years	(Depreciated at 3.33% per annum)
Kitchen	15-18 years	(Depreciated at 5.56% per annum)
Windows	30 years	(Depreciated at 3.33% per annum)
Boilers	20 years	(Depreciated at 5% per annum)
External Doors	40 years	(Depreciated at 2.5% per annum)

Other fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Office Property	4%	(25 years)
Leasehold improvements	20%	(5 years)
Office furniture and equipment	10%	(10 years)
Computer equipment	25%	(4 years)
Mid-Market Rent properties:		
Floor Coverings	10%	(10 years)
Appliances	20%	(5 years)
Social Rent properties:		
Floor Coverings	10%	(10 years)
Appliances	20%	(5 years)

Impairment

Reviews for impairment of housing properties are carried out at scheme level when a possible impairment is highlighted by a change in circumstances (such as high repair costs or difficulties in lettings). Any impairment in an income generating unit is recognised by a charge in the Statement of Comprehensive Income and is recognised when the carrying value of the unit exceeds the higher of its net realisable value or value in use. The net realisable value is determined by an external valuation by a RICS approved valuer.

Housing Association Grant and other capital grants

Housing Association Grant and other capital grants certain developments have been financed wholly or partly by Housing Association Grant (HAG) or other capital grants. HAG is repayable under certain circumstances, primarily following sale of the related property but will normally be restricted to net proceeds of sale.

Capital grants are accounted for using the accrual model and are recognised in income on a systematic basis over the useful life of the related housing asset. The Association uses the useful lives of all housing components on a pro-rata basis to calculate the annual amortisation.

Financial instruments

(Debtors and creditors receivable/payable within one year)

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

2. Principal accounting policies (continued)

Financial instruments (continued)
(Loans and borrowings)
Bank loans provided by Private Lenders are classed as basic under the requirements of FRS 102 and are therefore measured at amortised cost.

(Payment arrangements with tenants)
In the case of payment arrangements that exist with tenants, these are deemed to constitute financing transactions and, where material, are measured at the present value of future payments discounted at a market rate of interest applicable to similar debt instruments.

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.

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

Creditors
Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Pension costs
The Association participates in The Scottish Housing Associations' Defined Benefits Pension Scheme (SHAPS) and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The SHAPS is accounted for as a defined benefit scheme and as such the amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date.

The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

Value Added Tax
The Association is not registered for VAT and operating expenditure therefore includes Input VAT.

3. Judgement in applying policies and key sources of uncertainty

In preparing the financial statements, management are required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The members of the Board consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing properties as property, plant and equipment in line with the requirements of the SORP;
- The amount disclosed as 'operating profit' is representative of activities that would normally be regarded as 'operating'; and
- The identification of a cash-generating unit for impairment purposes.

The members of the Board are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate	Basis of estimation
Valuation of housing properties	Housing Properties are held at deemed cost which is based on existing use valuations at the date of transition to FRS 102 of 1 April 2014.
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on expected asset life cycles.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.
The obligations under the SHAPs pension scheme	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate. Additionally, the impact of Guaranteed Minimum Pension (GMP) equalisation has been included in the SHAPS defined benefit liability.
Impairment of debtors	The Association 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 14 for carrying amount of debtors.

4. Particulars of turnover, operating costs and operating surplus

	Notes	Turnover	Operating costs	Operating Surplus 2025	*Operating Surplus 2024*
		£	£	£	£
Affordable letting activities	5	**6,610,867**	**5,277,809**	**1,333,058**	*1,731,942*
Other activities	6	**1,193,690**	**632,909**	**560,781**	*409,549*
Pension re-measurement debit		-	**2,399**	**(2,399)**	-
Total		**7,804,557**	**5,913,117**	**1,891,440**	*2,141,491*
2024		*7,425,983*	*5,284,492*	*2,141,491*	

5. Particulars of turnover, operating costs & operating surplus from affordable letting activities

	General Needs Social Housing	Retirement Housing Accommodation	Total 2025	*Total 2024*
	£	£	£	£
Income from rent and service charges				
Rent receivable net of service charges	**5,344,419**	**779,875**	**6,124,294**	*5,724,288*
Service charges	**44,508**	**204,912**	**249,420**	*230,320*
Gross income from rents & service charge	**5,388,927**	**984,787**	**6,373,714**	*5,954,608*
Less: Voids	**(25,729)**	**(9,316)**	**(35,045)**	*(37,425)*
Net income from rents & service charge	**5,363,198**	**975,471**	**6,338,669**	*5,917,183*
Grants released from deferred income	**272,198**	-	**272,198**	*350,196*
Total turnover from affordable letting activities	**5,635,396**	**975,471**	**6,610,867**	*6,267,379*

5. Particulars of turnover, operating costs & operating surplus from affordable letting activities (continued)

	General Needs Social Housing	Retirement Housing Accommodation	Total 2025	*Total 2024*
	£	£	£	£
Expenditure				
Management & maintenance administration costs	**1,816,860**	**267,744**	**2,084,604**	*1,939,419*
Service costs	**45,709**	**134,764**	**180,473**	*165,710*
Planned & cyclical maintenance including major repair costs	**577,642**	**131,823**	**709,465**	*655,602*
Reactive maintenance costs	**1,052,320**	**155,457**	**1,207,777**	*929,286*
Bad debts (rents and service charges)	**19,555**	**2,889**	**22,444**	*37,173*
Depreciation of affordable let properties	**981,341**	**91,705**	**1,073,046**	*808,247*
Operating expenditure for affordable letting properties	**4,493,427**	**784,382**	**5,277,809**	*4,535,437*
Operating surplus for affordable letting properties, 2025	**1,141,969**	**191,089**	**1,333,058**	*1,731,942*
2024	*1,544,410*	*187,532*	*1,731,942*	

6. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR (DEFICIT) FROM OTHER ACTIVITIES:

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total turnover	Operating costs bad debts	Other operating costs	Operating surplus or (deficit) 2025	*Operating surplus or (deficit) 2024*
	£	£	£	£	£	£	£	£	£
Wider Role Activities	-	-	-	-	-	-	**25,000**	**(25,000)**	*(40,498)*
Factoring			-	**391,632**	**391,632**	**6,407**	**321,375**	**63,850**	*54,879*
Other activities*	**5,301**	-	-	**743,752**	**749,053**	-	**226,554**	**522,499**	*394,584*
Medical adaptations	**53,005**	-	-	-	**53,005**	-	**53,573**	**(568)**	*584*
Total from other activities	**58,306**	-	-	**1,135,384**	**1,193,690**	**6,407**	**626,502**	**560,781**	*409,549*
Total 2024	*152,259*	-	-	*1,006,345*	*1,158,604*	*6,053*	*743,002*	*409,549*	

Note: Other activity headings as noted in The Scottish Housing Regulator's Determination of Accounting Requirements 2019 do not apply. *Other activities include £574,767 *(2024 - £478,814)* in respect of the leasing of the Mid Market Rent properties to Manor Estates Associates Ltd.

7. Surplus for the year

Surplus for the year is stated after	2025 £	2024 £
Auditor's remuneration (including Value Added Tax):		
for external audit services	**21,120**	*19,554*
for taxation services	**1,212**	*1,122*
For VAT services	**444**	-

8. Emoluments and interests of key management personnel

The Board and senior staff, including the Chief Executive, Depute Chief Executive/Corporate Services Director, Property Services Director, and Housing Management Services Director, are defined as the key management personnel within the Association. No emoluments were paid to any member of the Board during the year and just two key management personnel earned emoluments of £60,000 per annum or more.

The emoluments of key management personnel were as follows:	2025 £	2024 £
Salary	**127,841**	*125,024*
Pension contributions	**17,165**	*16,193*
Social security costs	**15,132**	*14,743*
	160,138	*155,960*

The emoluments of the Chief Executive were as follows:	2025 £	2024 £
Salary	**63,959**	*64,758*
Pension contributions	**9,468**	*8,932*
	73,427	*73,690*

The Chief Executive is an ordinary member of the Association's pension scheme as described in note 22. No enhanced or special terms apply to their membership.

The number of key management personnel whose emoluments, excluding pension contributions, were above £60,000 for the year were:

	2025 £	2024 £
£60,001 to £70,000	**2**	*2*

Expenses payable to the Board amounted to £1,666 *(2024 - £2,206).*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

9. Employee information

	2025	2024
	£	£
Staff costs during the year were as follows		
Salaries	**1,127,217**	*1,101,145*
Social Security costs	**114,581**	*101,388*
Pension costs (note 22) - current contributions	**296,833**	*267,166*
- expenses	**10,024**	*9,911*
Costs of recruitment	**2,460**	*25,381*
	1,551,115	*1,504,991*
Past service deficit – remeasurements	**-**	*-*

	2025	2024
	£	£
The average number of persons (full time equivalents) employed by the Association during the year was as follows:		
Housing management	**22**	*20*
Administration	**8**	*7*
	30	*27*

10. Interest

	2025	2024
	£	£
Interest receivable	**33,630**	*97,703*
Interest payable on bank loans	**734,234**	*777,859*
Finance cost of setting up loans	**17,859**	*4,187*
Defined benefit pension liability – interest charge (Note 22)	**33,000**	*12,000*
	785,093	*794,046*

11. Tax on surplus on ordinary activities

The Association has charitable status, and no Corporation Tax charge arises on activities in the year. The subsidiary company, Manor Estates Associates Limited is liable to Corporation Tax, however no Corporation Tax charge has arisen in the year.

12. Tangible fixed assets

(a) Housing properties:

	Housing Properties under development	Housing properties held for letting	Mid-market rent properties	Total
		£	£	£
Cost				
At 1 April 2024	-	**43,914,491**	**11,475,160**	**55,389,651**
Additions/transfers during year:				
Property	**1,391,049**	**51,966**	**41,693**	**1,484,708**
Components	-	**889,539**	-	**889,539**
Disposals/transfers during year:				
Property	-	-	-	-
Components	-	**(182,367)**	-	**(182,367)**
At 31 March 2025	**1,391,049**	**44,673,629**	**11,516,853**	**57,581,531**
Depreciation				
At 1 April 2024	-	**10,543,514**	**1,065,804**	**11,609,318**
Charge for the year	-	**1,073,046**	**142,356**	**1,215,402**
Disposals during year:				
Property	-	-	-	-
Components	-	**(182,367)**	-	**(182,367)**
At 31 March 2025		**11,434,193**	**1,208,160**	**12,642,353**
Net book value				
At 31 March 2025	**1,391,049**	**33,239,436**	**10,308,693**	**44,939,178**
At 31 March 2024	-	*33,370,977*	*10,409,356*	*43,780,333*

Housing units:	MMR	Mainstream	Retirement	Total
	No	No	No	No
At 1 April 2024	95	873	143	1,111
At 31 March 2025	95	873	143	1,111

Additions to Housing Properties during the year include no capitalised interest *(2024 - £nil)* and no capitalised administration costs *(2024 - £nil)* Components with a cost of £182,367 *(2024 - £128,969)* and accumulated depreciation of £182,367 *(2024 - £128,969)* have been disposed of in the year for net proceeds of £nil (*2024 - £ nil*).

Included in freehold housing properties is land with a historic cost allocation of £18,082,209 (*2024: £18,082,209*).

12. Tangible fixed assets (continued)

(b) Other fixed assets:

	Office Property	Office & IT Equipment	MMR and social furnishings	Total
	£	£	£	£
Cost				
At 1 April 2024	1,090,418	482,619	281,956	1,854,993
Additions	-	25,800	14,298	40,098
Disposals	-	(18,569)	(10,134)	(28,703)
At 31 March 2025	1,090,418	489,850	286,120	1,866,388
Depreciation				
At 1 April 2024	87,056	356,036	196,835	639,927
Provided in year	43,617	44,580	22,357	110,554
Disposals	-	(18,569)	(10,134)	(28,703)
At 31 March 2025	130,673	382,047	209,058	721,778
Net book value 31 March 2025	**959,745**	**107,802**	**77,062**	**1,144,610**
Net book value 31 March 2024	*1,003,362*	*126,583*	*85,121*	*1,215,066*

13. Investments

Manor Estates Housing Association has invested in its wholly owned subsidiary, Manor Estates Associates Limited (MEAL).

	2025	*2024*
	£	£
At 1 April 2024 and 31 March 2025 100 ordinary shares of £1 each	**100**	*100*

The subsidiary has net assets, capital and reserves of £100 at 31 March 2025. The taxable surplus is transferred by Gift Aid to the Association and amounts to nil in 2025 (*2024 - £5,634*).

14. Debtors

	2025	2024
	£	£
Rent arrears	**178,836**	*143,495*
Doubtful debt provision	**(110,900)**	*(87,164)*
	67,936	*56,331*
Other debtors	**640,240**	*230,183*
Prepayments	**102,014**	*35,835*
Finance costs (note 17)	**154,900**	*12,750*
Subsidiary Company (note 23)	**-**	*2,475*
	965,090	*337,574*

15a Cash and cash equivalents

	2025	2024
	£	£
Balances held in current account	**651,820**	*2,286,253*

15b Investments

	2025	2024
	£	£
Balances held in deposit accounts	**-**	*500,000*

16. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	**388,248**	*1,395,836*
Other creditors	**31,715**	*31,293*
Social Security and other taxes	**26,428**	*26,087*
Prepayments of rent & service charges	**183,774**	*143,798*
Accruals and deferred income	**425,906**	*552,821*
Loan interest currently due	**-**	*27,947*
Subsidiary Company (note 23)	**24,907**	-
Bank loan repayable within one year (note 17)	**626,603**	*1,303,247*
SHAPS deficit repayment plan (note 22)	**815**	*802*
Deferred capital grant (note 21)	**323,867**	*328,860*
	2,032,263	*3,810,691*

Pension amounts outstanding at the year-end were £nil (2024: *£328*). These were included in other creditors.

17. Creditors: amounts falling due after one year

	2025	2024
	£	£
Bank loan	**8,278,819**	*9,055,422*
Deferred Housing Association Grant (note 21)	**12,973,820**	*12,011,766*
SHAPS deficit repayment plan	**1,470**	-
	21,254,109	*21,067,188*

During 2024/25 the Santander loan was repaid and replaced with a loan facility from the Royal Bank of Scotland. The facility consists of a loan of £9m and a rolling credit facility (RCF) of £4m. Shortly after the refinancing, 61% of the loan (£5.49m) was fixed at 5.626% and is repayable over the next ten years. The balance of £3.51m is variable and repayable over 15 years. No monies were due on the RCF at the year end.

The average rate of interest paid in the year is 6.71% (2024 – 6.82%).

The net book value of housing properties secured at the year-end was £3,733,278 (*2024 - £23,612,288*).

We are continuing to pay off the loan of £266,030 from the Energy Savings Trust. This is repayable over 10 years at 0% interest rate from May 2017. This year we paid the last instalment of the £383,219 loan from the Scottish Government through the Fire and Carbon Monoxide Detectors Loan Scheme.

Loans are repayable as follows:

	2025	*2024*
	£	£
Within one year	626,603	1,303,247
Between one and two years	626,603	955,422
Between two and five years	1,802,216	2,700,000
After five years	5,850,000	5,400,000
	8,905,422	10,358,669
Less: amount shown in current liabilities	(626,603)	(1,303,247)
	8,278,819	9,055,422

18. Share capital

Ownership of a share does not entitle the holder to participate in the Association's assets. Each member of the Board holds one share of £1 in the Association.

19. Reconciliation of operating surplus to net cash inflow from operating activities

	2025	2024
	£	£
Surplus for the year	**1,139,977**	*1,520,301*
Depreciation charges	**1,325,956**	*1,079,503*
(Increase)/decrease in debtors	**(627,516)**	*(94,538)*
Decrease/(increase) in creditors	**(1,212,365)**	*1,066,285*
Adjustments for investing or financing activities:		
Gains on disposal of tangible fixed assets	**-**	*(69,518)*
Housing Association Grant used in year	**(354,203)**	*(432,201)*
Interest and financing costs	**785,093**	*794,046*
Interest receivable	**(33,630)**	*(97,703)*
Gift Aid	**-**	*(5,635)*
Net cash flow from operating activities	**1,023,312**	*3,760,540*

20. Capital commitments

	2025	2024
	£	£
Capital expenditure that has been contracted for but not been provided for in the financial statements	**2,990,357**	*107,760*

21. Deferred capital grants

	2025	2024
	£	£
Summary of HAG movement in the year:-		
Deferred capital grants at 1 April	**12,340,626**	*12,465,013*
Grants received in the year	**1,311,264**	*366,168*
Grants released in the year	**(354,203)**	*(432,201)*
Repaid in respect of house disposals	**-**	*(86,219)*
HAG amortised on house disposals	**-**	*27,865*
	13,297,687	*12,340,626*
Due to be released < 1 year	**323,867**	*328,860*
Due to be released > 1 Year	**12,973,820**	*12,011,766*
	13,297,687	*12,340,626*

22. Pension scheme

(i) The Pensions Trust – Scottish Housing Associations' Pension Scheme (SHAPS)

Manor Estates Housing Association participates in a multi-employer scheme which provides benefits to some 150 non-associated employers. The scheme is a defined benefit scheme in the UK.

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

The last published triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m.A recovery plan was put in place to eliminate this debt by September 2022.The results of the most recent triennial valuation carried out as at 30 September 2024 have yet to be published.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September each year.

22. Pension scheme (continued)

Year ended 31 March 2025

The Trustee of the Pensions Trust ('the Trust') has completed a review of the changes made to the benefit structure of the defined benefit pension scheme within the Trust. This involved reviewing the changes made to the benefits in the scheme over the years. The result of this review is that, in some cases, it is unclear whether the changes were made to the scheme benefits in accordance with the Trust's governing documentation. The Trust has been advised to seek direction from the Court on the effect of these changes. This process is ongoing and is unlikely to be resolved until late 2025 at the latest. The Trustee is not including an allowance for potential additional liabilities with the Technical Provisions methodology for triennial actuarial valuations.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	31 March 2025 £'000	31 March 2024 £'000
Fair value of plan assets	**4,360**	*4,825*
Present value of defined benefit obligation	**(4,967)**	*(5,497)*
Defined benefit liability to be recognised	**(607)**	*(672)*

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Defined benefit obligation at start of period	**(5,497)**	*(5,412)*
Current service cost	**-**	*-*
Expenses	**(9)**	*(8)*
Interest expense	**(265)**	*(260)*
Actuarial (losses) due to scheme experience	**(58)**	*(50)*
Actuarial gains/(losses) due to changes in demographic assumptions	**-**	*33*
Actuarial gains due to changes in financial assumptions	**666**	*20*
Benefits paid and expenses	**196**	*180*
Defined benefit liability at the end of the period	**(4,967)**	*(5,497)*

22. Pension scheme (continued)

Reconciliation of opening and closing balances of the fair value of plan assets

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Fair value of plan assets at start of the period	**4,825**	*5,163*
Interest income	**232**	*248*
Experience on plan assets (excluding amounts included in inter income) - gain	**(510)**	*(414)*
Contributions by the employer	**9**	*8*
Benefits paid and expenses	**(196)**	*(180)*
Fair value of plan assets at end of period	**4,360**	*4,825*

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Current service cost		
Admin expenses	**9**	*8*
Net interest expense	**33**	*12*
Defined benefit costs recognised in Statement of Comprehensive Income	**42**	*20*

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Experience on plan assets (excluding amounts included in net interest cost – (loss)	**(510)**	*(414)*
Experience gains and losses arising on the plan liabilities – (loss)	**(58)**	*(50)*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/	**-**	*33*
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	**666**	*20*
Total amount recognised in other comprehensive income –gain/(loss)	**98**	*(411)*

22. Pension scheme (continued)

Fund allocation for employer's calculated share of assets

	31 March 2025 £'000	31 March 2024 £'000
Global Equity	**505**	*555*
Absolute Return	**-**	*217*
Distressed Opportunities	**-**	*178*
Credit Relative Value	**-**	*170*
Alternative Risk Premia	**-**	*174*
Liquid Alternatives	**803**	*-*
Emerging Markets Debt	**-**	*85*
Risk Sharing	**-**	*289*
Insurance-Linked Securities	**17**	*30*
Property	**216**	*204*
Infrastructure	**1**	*462*
Private Equity	**4**	*4*
Real Assets	**520**	
Private Debt	**-**	*194*
Opportunistic Illiquid Credit	**-**	*192*
Private Credit	**544**	*-*
Credit	**185**	*-*
Investment Grade Credit	**199**	*-*
High Yield	**-**	*1*
Cash	**23**	*125*
Long Lease Property	**1**	*36*
Secured Income	**101**	*161*
Liability Driven Investment	**1,228**	*1,744*
Currency Hedging	**7**	*(2)*
Net Current Assets	**6**	*6*
Total Assets	**4,360**	*4,825*

The main financial assumptions used by the Scheme Actuary, TPT, in their FRS 102 calculations are as follows:

Assumptions as at	**31 March 2025 % per annum**	**31 March 2024 % per annum**
Discount rate	**5.85**	**4.90**
Inflation (RPI)	**3.09**	**3.15**
Inflation (CPI)	**2.79**	**2.78**
Salary growth	**3.79**	**3.78**
Allowance for commutation of pension for cash at retirement	**75% of maximum allowance**	**75% of maximum allowance**

22. Pension scheme (continued)

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2025	**20.2**
Female retiring in 2025	**22.7**
Male retiring in 2045	**21.5**
Female retiring in 2045	**24.2**

Member data summary

Active members

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	4	171	53
Females	4	281	55
Total	**8**	**452**	**54**

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	8	22	50
Females	22	59	53
Total	**30**	**81**	**52**

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	7	48	73
Females	10	133	70
Total	**17**	**181**	**71**

22. Pension scheme (continued)

(ii) Pension Trust's Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

The scheme is classified as a 'last man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £631.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions
From 1 April 2025 to 31 March 2028:
£2,100,000 per annum (payable monthly)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 liabilities.

As the Growth Plan is in deficit and the Association has agreed to a deficit funding arrangement the Association recognises a liability for this obligation in the amount of the net present value of the deficit reduction contributions payable under the agreement. The present value is calculated using the discount rate detailed below. The unwinding of the discount rate is recognised as a finance cost.

	2025	*2024*
Current service cost	**-**	-
Rate of discount - % per annum	**4.84**	*5.31*

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

22. Pension scheme (continued)

(iii) Employer Debt on Withdrawal

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e., the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Association has been notified by the Pensions Trust of the estimated employer debt on the withdrawal from the relevant schemes based on the financial position of the schemes as at 30 September 2021. As of this date the total estimated employer debt for the Association is £1.6m for both schemes.

(iv) Contingent Liability

In 2021 the Scheme Trustee (TPT Retirement Solutions) notified employers of a review of historic scheme benefit changes, and this review has raised legal questions regarding whether and when some historic benefit changes should take effect, the outcome of which could give rise to an increase in liabilities for some employers.

The Trustee has carried out a review comparing the benefits provided to Scheme members with the requirements of the Scheme documentation. It has received legal advice that there is sufficient uncertainty regarding the effect of some benefit changes that the Court should be asked to provide clarity; to provide the Trustee with the certainty it needs to properly administer the Scheme.

The Court hearing concluded in March 2025, with the Court's determination expected no earlier than the summer of 2025. After this, the Trustee and its advisers will consider the outcome and communicate next steps to employers. Depending on the outcome of the hearing, it may be necessary to ask further questions of the Court to clarify certain additional points.

Should the Court decide that the historic benefit changes need to be applied differently, then some member benefits would need to be increased, which would increase the value placed on Scheme liabilities. No allowance has been made for potential additional liabilities within the estimate provided above.

23. Related Party Transactions

Management and administration services are provided to Manor Estates Associates Limited (the subsidiary company). These costs amounted to £17,901 in the year *(2024 - £17,158)*. In addition, management charges of £65,291 *(2024 - £49,499)* and lease costs of £574,767 *(2024 - £478,814)* have been incurred by Manor Estates Associates Limited in relation to the MMR properties.

Manor Estates Associates Limited agreed a gift aid distribution of £nil *(2024 - £5,634)* to the Association. The balance owed by Manor Estates Housing Association to Manor Estates Associations Limited at 31 March 2025 is:

Subsidiary Company (creditor)	**24,907**

The balance owed to Manor Estates Associates Limited as at 31 March 2024 was:

Subsidiary Company (debtor)	**2,475**

There is a proposal to receive a distribution in the form of a gift aid payment £24,117 (*2024 – £nil*) next year from Manor Estates Associates Limited.

24. Tenant Board Members

During the year, one tenant continued their membership of the Board (2024 – one). The Board member has a standard tenancy agreement and was awarded their tenancy in line with best practice allocations policy. Rent charged to the tenant Board Member during the year was £5,904 (*2024 - £5,496*) and the net balance outstanding from the tenant Board Member as at 31 March 2025 was £nil (*2024 - £nil*).