# MANOR DEVELOPMENT COMPANY LIMITED

England & Wales · Charity number 1131906

## Details

| | |
|---|---|
| **Other names** | MDC |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 02741421 |
| **Registered** | 2009-09-29 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Alison Business Centre<br>39/40 Alison Crescent<br>Manor<br>Sheffield<br>S2 1AS |
| **Phone** | 01142835900 |
| **Email** | enquiries@abc4business.org.uk |
| **Website** | www.mdcltd.org.uk |

## Activities

**Objects:** THE CHARITY'S OBJECTS (THE OBJECTS) THE PROMOTION FOR THE PUBLIC BENEFIT OF URBAN OR RURAL REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION, AND IN PARTICULAR ON THE MANOR ESTATE IN THE CITY OF SHEFFIELD AREA ("AREA OF BENEFIT") BY THE FOLLOWING MEANS(A) THE RELIEF OF POVERTY(B) THE ADVANCEMENT OF EDUCATION(C) THE RELIEF OF UNEMPLOYMENT(D) THE PROVISION OF RECREATIONAL FACILITIES FOR THE PUBLIC AT LARGE OR THOSE WHO BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABLEMENT, POVERTY OR SOCIAL AND ECONOMIC CIRCUMSTANCES, HAVE NEED OF SUCH FACILITIES

**Activities:** Manor Development Company (MDC) operates in the geographical area of the Manor Estate in Sheffield. The charity is a key organisation within an area of chronic disadvantage and works with the community to assist in the empowerment of local people to turn socio- economic visions into a sustainable reality.

Downloaded from opencharities.uk/ew/1131906

## Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Economic/community Development/employment, Recreation
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

## Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Sheffield City

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £642,051 | £369,013 | £3,491,746 | 12 |
| 2024-03-31 | £334,051 | £278,635 | - | - |
| 2023-03-31 | £333,625 | £261,482 | - | - |
| 2022-03-31 | £370,690 | £230,912 | - | - |
| 2021-03-31 | £296,667 | £213,243 | - | - |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **RICHARD FOSTER** | Chair | 2013-03-28 |
| CATHERINE MARY DEAN | | |
| Carol Ann Jenkinson | | 2021-05-05 |
| Nicola Jowitt | | 2021-05-05 |

Downloaded from opencharities.uk/ew/1131906

**MANOR DEVELOPMENT COMPANY LIMITED**

England & Wales - Charity number 1131906

# Accounts

CHARITY REGISTRATION NUMBER 1131906

COMPANY REGISTRATION NUMBER 02741421

# MANOR DEVELOPMENT COMPANY LIMITED

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2025

# MANOR DEVELOPMENT COMPANY LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| **Trustees** | C M Dean<br>R S Foster<br>C A Jenkinson<br>N Jowitt |
| **Secretary** | R Dowling |
| **Chief Executive Officer** | R Dowling |
| **Charity number** | 1131906 |
| **Company number** | 02741421 |
| **Registered office** | Alison Business Centre<br>40 Alison Crescent<br>Manor<br>Sheffield<br>South Yorkshire<br>S2 1AS |
| **Auditor** | UHY Hacker Young<br>6 Broadfield Court<br>Broadfield Way<br>Sheffield<br>S8 0XF |
| **Bankers** | Co-operative Bank plc<br>PO Box 250<br>Skelmersdale<br>WN8 6WT |

# MANOR DEVELOPMENT COMPANY LIMITED

## CONTENTS


| | Page |
|---|---|
| Trustees' report | 1 - 6 |
| Statement of trustees' responsibilities | 7 |
| Independent auditor's report | 8 - 11 |
| Statement of financial activities | 12 |
| Balance sheet | 13 |
| Notes to the financial statements | 15 - 27 |

# MANOR DEVELOPMENT COMPANY LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
## FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

**Objectives and activities**
The charity's objects, as set out in the constitution, are the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation, and in particular the Manor Estate in the City of Sheffield area by the following means:

- the relief of poverty
- the advancement of education
- the relief of unemployment
- the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances, have need of such facilities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and have paid due regard to the Charity Commission guidance on public benefit, and our achievements over this year are broadly as follows:

- Completing the ninth full year of operations within the Manor Works, achieving overall lettings of around 95% for the greater part of the year.
- Sustaining our support for local businesses – especially start up companies – both through the availability of top-quality units in a locality where they are not readily available, and in advice regularly offered to such businesses by the CEO and other staff.
- Maintaining the use of our high-quality meeting and conference space, and thereby providing support for training, recreational and other activities on a commercial basis, as well as hosting activities for local people as a key part of our "good neighbour" policy with respect to the Manor Estate.
- Effectively and safely managing a small but dynamic staff team, in a period which remained challenging, and continuing to do so profitably and in a way that will guarantee long-term sustainability for the community, the business and the staff
- Using a flexible approach to new and start up businesses, with an emphasis on supporting people planning to become self-employed, and in general increasing employment and training opportunities available in our area of interest. Increasing our range of services to new business that does not require a static base, but an ever changing and highly professional approach, through a range of business services that help in small business administration.
- Where appropriate, representing the interests of the local community, and seeking to give them an effective voice across a range of issues – wherever possible acting as a "good neighbour" to the people of the Manor - and providing advice to external bodies as required, especially in respect of anti-social behaviour affecting the public green space adjacent to which our buildings are located.

**Achievements and performance**

**Manor Works**

Our landmark building has enjoyed another successful year of commercial operation, with steady demand for high-quality lettings, making a major contribution to the success of the wider business…

…and is increasingly well established as an engine for increased business and community activities within the Manor area, and because of its high quality, configuration and facilities has greatly broadened the range of businesses choosing to operate from Manor Development Companies, with a steadily increasing number of forward-looking and tech-based businesses.

**Alison Business Centre Phase1&2**

Overall, our operating arm, Alison Business Centre, runs 33,500 square feet of commercial space, comprising seventy workshops and forty-four offices and split across three adjacent sites...and has routinely maintained close to full occupancy...with some periods when every single unit was let...and this gives us a very strong and robust commercial base from which to support our wider community ambitions and objectives.

All tenants benefit from full reception, post and ancillary services provided by the Company, and the training, meeting and atrium spaces are all available, and continuing to be used by the local community for a range of activities.

**MATREC**

In the course of this year, we have deepened our partnership with the Manor Training and Resource Centre (MATREC)…with well established links at Board Level, cemented by our purchase from them of 296/8 Prince of Wales Road, a shop-front/commercial unit close to their main building…which was surplus to any likely future requirements they might have. We are now planning the full refurbishment of this building, to provide additional lettable space on the upper stories, and potential community or social activities on the ground floor, with shop-front access to the retail crescent on which it is located.

This has reduced management pressure on them, and strengthened their overall financial position…but will give us the opportunity to diversify our commercial offer (possibly by accommodating small-scale business services needing a walk-in facility)... and will greatly assist in development our own community-facing partnership working by offering that same walk-in facility much more easily than is feasible from our current premises. It provides a very exciting new opportunity to pursue our charitable objectives, but underpinned, as all our work is, by a rigorous determination to increase the value and income of the assets we hold and manage on behalf of the Manor Community.

**Shine Academy, 300 Prince-of-Wales Road**

We have now reached an agreement with the Shine Academy to take over their building at no cost... this is located between 296/8 and MATREC... and are in addition taking on the "accountable body" role with the NHS in respect of the Shine Academy. This will maintain a much needed local service and given us a series of linked shop-fronts to serve as a public-facing hub for community activity, underpinned by our adjacent and thriving commercial offer.

**Angleton Meeting Rooms**

Through the support of a local housing provider (Places for People) Angleton Meeting Rooms is partly financed and largely managed by Manor Development Company Ltd, with a view to facilitating positive activities in the neighbourhood. Having achieved a strong commercial position through the success of Alison Business Centre, the Manor Development Company Charity now increasingly sees Angleton as a community development opportunity to be taken up in the medium term- if it is possible to positively engage Places for People in this task.

**Other "good neighbour" activities**
Manor Development Company can and does continue to act as the voice for those living close to the facility, and for other key community organisations...in areas such as crime and vandalism and stands ready to work in partnership with other projects to support a range of indoor and outdoor social, educational and other activities whenever required, increasingly working from the new facilities at Manor Works. As an employer MDC continues to welcome applications from the local community.

As one of the oldest community-owned third sector organisations on the Manor Estate the Company constantly strives to maintain links and work in cooperation with a network of local organisations – and has given tangible effect to these ambitions in this current year by the investment and initiatives described more fully in above.

In addition we also engage with the Manor and Castle Development Trust, MASKK and the Manor Community Childcare Centre; to support key projects, especially those targeting local young people and to maintain links with service providers including Places for People, ACIS (the local RSL's), local government and local emergency services as well as the Community Youth Team...who are long standing local licensees, with a base on site.

The company would as always like to formally thank those who have provided funding and continuing support, especially Sheffield City Council, as well as those who give freely throughout the year of their time and donations for the benefit of the area and the people who live and work in it.

It sends its thanks to all those who have supported its activities during the past year and special thanks to the partners, residents and volunteers who have played a vital role in developing its involvement locally and to local businesses who support and use the services on offer.

**Financial review**
The Statement of Financial Activities shows a net increase in funds of £273,038 (2024: £55,416). The charity has general unrestricted reserves of £3,491,746 compared to £3,218,708 the previous year.

**Reserves Policy**

**Introduction**
This reserves policy has been developed as a part of the Trustees risk identification approach and is based on income streams for both MDC the Charity and its subsidiaries. Where this policy states MDC this term includes its subsidiaries.

**Definition**
The term reserves is that part of MDC's income that is freely available for its general purposes once it has met its commitments and covered its other planned expenditure. This is generally monies that have been generated through the sale of services etc through the charity's trading subsidiary. This excludes any monies received as restricted funds (e.g. where a funder has specified what the money must be spent on and therefore the Trustees do not have the power to spend the money on anything else).

**Policy**

**Policy - Unrestricted Funds**
Reserves are built up and then maintained at a level that ensures that 6-9 months of the organisations' current activity could continue during a period of unforeseen difficulty. At present this is estimated at or around £300k-£400k.
The amount above include:-

- Working capital to ensure its business centre can continue to operate for a designated period of reduced/lost income.
- To meet costs of securing and maintaining properties held by the charity in the event of closure
- Redundancy Costs
- Legal and Accountancy Costs
- Expiry of leases on certain property, plant and office equipment.
- Buildings and Statutory Compliance.

**Policy - Designated Funds**
The following areas cover the amounts of designated funds that MDC will use for particular purposes

- Building Renewals

MDC reserves the right to re-assign designated funds within its unrestricted funds.

**Policy - Pursuing our Charity Objectives**
The trustees will ensure that it can support its commitment to its core aims by designating an amount annually to be used to support its community activity from any unrestricted funds held at that time. This amount will be agreed on at year-end, after a full review of the company's financial position.

**Review of Policy**
This policy will be reviewed annually in line with the company's financial status and will take account of any changes in circumstances of itself and its trading subsidiaries at this time.

The trustees has assessed the major risks to which the charity is exposed, including operational and business risks, and are satisfied that systems are in place to mitigate exposure to the major risks. It regularly reviews all its policies in order to ensure that they are relevant and effective.

**Plans for future periods**

In furtherance of its support to local employment and community participation, Manor Development Company Limited has now completed its strategic plan to build a new business and community resource centre, which has now achieved very considerable commercial success...which supports a thriving community of licensee and their businesses – which have survived the vicissitudes of the last couple of years, and both grown and thrived.

Overall, the demand for the spaces and services we offer has grown month-on-month...at least in part because work-styles have evolved in the last few years – with many smaller businesses preferring to have their own front door, ample car-parking, and secure but compact spaces suited to the shift to hybrid working which is increasingly embedded in the economic and social life of the UK.

...thus, in the coming period, we will build on this experience commercially, and develop our new and planned investments at 296/8 Prince of Wales Road and the adjacent Shine Academy building and our increasingly strong relationship with MATREC, thereby contributing very significantly to the prosperity and social stability of the Manor Community...as well as doing what we can to support the local community and our tenant businesses to handle the economic and political turbulence which the United Kingdom is experiencing at home, and which we are facing across the world.

...finally, as always, we would like to thank all staff and partners for their commitment towards making Manor a better place to live and work. Manor Development Company relies on the support it gets both from its staff and volunteers and from its partners in order to achieve its objectives.

**Structure, governance and management**

Manor Development Company was registered as a company limited by guarantee in 1992 and gained charitable status as of September 2009. The constitution is set out in its Memorandum and Articles of Association, which was amended in February 2009.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:
C M Dean
R S Foster
C A Jenkinson
N Jowitt

The charity is registered with the Registrar of Charities, number 1131906. The constitution provides for a minimum of 3 nominated member trustees to be people who live or work in the geographical area of benefit, i.e. the Manor Estate, Sheffield.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Our trading subsidiary Alison Business Centre has continued to build momentum, and we have been fortunate in that our centre is designed to ensure that each business can work independently on site...which is ideal for models of work and business that are now increasingly embedded in the UK.

The company is the sole member of Manor Development Company (Alison Centre) Limited which is also limited by guarantee.

**Asset cover for funds**

It is a condition of the funding for Phase III that the Phase II buildings (currently included in the balance sheet of the company's wholly owned subsidiary Manor Development Company (Alison Centre) Limited are transferred to this charity. The transfer has been subject to the delays caused by issues and land leases. MDC is working with its partners to complete this process.

**Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

**R S Foster**
Trustee
Dated: 10 December 2025

## MANOR DEVELOPMENT COMPANY LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES
## FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors of Manor Development Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED

## Opinion

We have audited the financial statements of Manor Development Company Limited (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its 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 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty relating to going concern

We have identified a matter of concern in our report because we have concerns that the charity may not be able to continue as a going concern. Disclosure has been made in note 1.2 to the accounts concerning the charity's ability to continue as a going concern. Whilst re-financing discussions are taking place, there is some doubt over whether the charity has sufficient working capital over the next 12 months. The charity has net current liabilities of £209,072. These conditions, along with the matters explained in note 1.2 to the accounts, indicate the existence of a material uncertainty which may cast significant doubt about the charity's ability to continue as a going concern. The accounts do not include the adjustments that would result if the charity was unable to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

**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 trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors and enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

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

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

**Use of our report**

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Michael Mealing (Senior Statutory Auditor)**
**for and on behalf of UHY Hacker Young** 10 December 2025

**Chartered Accountants**
**Statutory Auditor**

## MANOR DEVELOPMENT COMPANY LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

## FOR THE YEAR ENDED 31 MARCH 2025

| | Notes | Total 2025 | Total 2024 |
|---|---|---|---|
| | | £ | £ |
| **Income from:** | | | |
| Donations and legacies | 3 | 175,840 | 17,340 |
| Charitable activities | 4 | 324,144 | 216,363 |
| Investments | 5 | 142,067 | 100,348 |
| **Total income** | | 642,051 | 334,051 |
| **Expenditure on:** | | | |
| Charitable activities | 6 | 369,013 | 278,635 |
| **Net income for the year/ Net movement in funds** | | 273,038 | 55,416 |
| Fund balances at 1 April 2024 | | 3,218,708 | 3,163,292 |
| **Fund balances at 31 March 2025** | | 3,491,746 | 3,218,708 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# MANOR DEVELOPMENT COMPANY LIMITED

## BALANCE SHEET

## AS AT 31 MARCH 2025

| | Notes | 2025 | | 2024 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Tangible assets | **13** | | 3,700,818 | | 3,379,695 |
| **Current assets** | | | | | |
| Debtors | **14** | 371,505 | | 467,196 | |
| Investments | **15** | 270,685 | | 259,092 | |
| Cash at bank and in hand | | 112,452 | | 79,272 | |
| | | 754,642 | | 805,560 | |
| **Creditors: amounts falling due within one year** | **16** | (963,714) | | (966,547) | |
| **Net current liabilities** | | | (209,072) | | (160,987) |
| **Total assets less current liabilities** | | | 3,491,746 | | 3,218,708 |
| **The funds of the charity** | | | | | |
| Unrestricted funds | **18** | | 3,491,746 | | 3,218,708 |
| | | | 3,491,746 | | 3,218,708 |

The financial statements were approved by the trustees on 10 December 2025

R S Foster
**Trustee**

Company registration number 02741421 (England and Wales)

## MANOR DEVELOPMENT COMPANY LIMITED

## STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH 2025

| | Notes | 2025 | | 2024 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Cash flows from operating activities** | | | | | |
| Cash generated from/(absorbed by) operations | 23 | | 108,022 | | (122,871) |
| **Investing activities** | | | | | |
| Purchase of tangible fixed assets | | (205,316) | | - | |
| Movement on fixed term deposit accounts | | (11,593) | | (5,379) | |
| Investment income received | | 142,067 | | 100,348 | |
| **Net cash (used in)/generated from investing activities** | | | (74,842) | | 94,969 |
| **Net cash used in financing activities** | | | - | | - |
| **Net increase/(decrease) in cash and cash equivalents** | | | 33,180 | | (27,902) |
| Cash and cash equivalents at beginning of year | | | 79,272 | | 107,174 |
| **Cash and cash equivalents at end of year** | | | 112,452 | | 79,272 |

## 1 Accounting policies

### Charity information

Manor Development Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Alison Business Centre, 40 Alison Crescent, Manor, Sheffield, S2 1ASAlison Business Centre, 40 Alison Crescent, Manor, Sheffield, South Yorkshire, S2 1AS.

### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### 1.2 Going concern

The trustees consider the charity to be a going concern and the accounts are prepared on this basis. Sheffield City Council have provided a cash flow facility for the completion of the Phase III development. This facility is repayable to Sheffield City Council and discussions are on-going in respect of additional grant funding and loan finance from alternative funders to replace this facility.

The trustees are confident that funding will be obtained to replace Sheffield City Council's facility and they do however recognise that it will be a challenge to ensure the Phase III development is sustainable, bearing in mind the deprived nature of the area. However, all the stakeholders in the development have continued to work together to give it the best possible chance for success.

As such, the trustees consider the charity is a going concern and have prepared the accounts accordingly.

### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

**1 Accounting policies** **(Continued)**

**1.4 Incoming resources**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable except as follows:

- when donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

- when donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, the income is included in incoming resources of restricted funds when receivable.

- incoming resources from managed workspace represents rents received and services provided to office units and workshop units net of VAT and trade discounts in the accounts of the group.

- in the accounts of the charitable company alone the income from expenses recharged represents costs borne on behalf of the subsidiary and recharged to the subsidiary.

Where the amount paid for the rental of the land used by the charity is below the commercial rate, a donation is included in income for the difference between the commercial rate and the amount actually paid by the group.

**1.5 Resources expended**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are included in the Statement of Financial Activities on an accruals basis and are recognised when there is a legal or constructive obligation to make a payment to a third party. All resources expended are classified under activity headings that aggregate all costs related to the category.

Charitable activities include activities undertaken to further the purposes of the charity.

Governance costs represent those costs of strategic management and of complying with statutory requirements.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1 **Accounting policies** **(Continued)**

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---|---|
| Leasehold property | 1% straight line |
| Fixtures and fittings | 15%/33% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Fixed assets costing less than £500 are not capitalised.

**1.7 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1 Accounting policies** **(Continued)**

**1.9 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

## 1 Accounting policies (Continued)

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 2 Critical accounting estimates and judgements (Continued)

**Donation of land**

The charity and its trading subsidiary company receive a donation for the land it operates from as the actual rental it pays for the land is below the commercial rate. To estimate this donation, the trustees need to make an assessment of what the commercial rent would be. This involves a review of evidence as to how commercial rates for the rent of land are calculated and then using this evidence to estimate a donation.

## 3 Donations and legacies

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Donated goods and services | 175,840 | 17,340 |

During the year ended 31 March 2025, the charitable company was gifted a property with a market value of £158,500. This amount has been included within leasehold fixed asset additions for the year.

## 4 Charitable activities

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Sale of goods | 233,462 | 212,923 |
| Services provided under contract | 87,529 | - |
| Charitable rental income | 3,153 | 3,440 |
| | 324,144 | 216,363 |

## 5 Investments

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Gift aid received from subsidiary company | 128,662 | 90,892 |
| Interest receivable | 13,405 | 9,456 |
| | 142,067 | 100,348 |

## 6 Charitable activities

| | Total 2025 £ | Total 2024 £ |
|---|---|---|
| Staff costs | 226,200 | 206,290 |
| Depreciation and impairment | 42,693 | 40,018 |
| Community events | 53,397 | - |
| Angleton rooms | 2,370 | 3,651 |
| Rent and rates | 28,766 | 17,340 |
| Repairs and equipment | 6,691 | - |
| Legal, professional and consultancy fees | 4,145 | 2,535 |
| Bank charges | 154 | 143 |
| General expenses | 937 | 2,935 |
| | 365,353 | 272,912 |
| Grant funding of activities (see note 7) | 1,260 | 3,573 |
| Share of governance costs (see note 8) | 2,400 | 2,150 |
| | 369,013 | 278,635 |

## 7 Grants payable

| | Total 2025 | Total 2024 |
|---|---|---|
| | £ | £ |
| Grants to institutions: | | |
| Matrec | 1,000 | 2,373 |
| My Life Project | - | 1,200 |
| Manor Community Childcare | 260 | - |
| | 1,260 | 3,573 |

## 8 Support costs

| | Support costs | Governance costs | 2025 | Support costs | Governance costs | 2024 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| Audit fees | - | 2,400 | 2,400 | - | 2,150 | 2,150 |
| | - | 2,400 | 2,400 | - | 2,150 | 2,150 |
| Analysed between | | | | | | |
| Charitable activities | - | 2,400 | 2,400 | - | 2,150 | 2,150 |

Governance costs includes payments to the auditor of £2,400 for audit fees (2024: £2,150). Legal and professional fees include payments to the auditor of £2,700 (2024: £2,500) for other services.

## 9 Net movement in funds

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| The net movement in funds is stated after charging/(crediting): | | |
| Fees payable for the audit of the charity's financial statements | 2,400 | 2,150 |
| Depreciation of owned tangible fixed assets | 42,693 | 40,018 |

## 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or any other benefits from employment with the charitable company or any other related entity during the year.

Two trustees were reimbursed for travel related expenses amounting to £569 during the year (2024: £nil).

## 11 Employees

The average monthly number of employees during the year was:

| | 2025 Number | 2024 Number |
|---|---|---|
| Trustees/directors | 4 | 4 |
| Management/administration/finance | 12 | 11 |
| Total | 16 | 15 |

| Employment costs | 2025 £ | 2024 £ |
|---|---|---|
| Wages and salaries | 208,168 | 189,918 |
| Social security costs | 8,771 | 7,475 |
| Other pension costs | 9,261 | 8,897 |
| | 226,200 | 206,290 |

There were no employees whose annual remuneration was more than £60,000.

**Remuneration of key management personnel**

The remuneration of key management personnel was as follows:

| | 2025 £ | 2024 £ |
|---|---|---|
| Aggregate compensation | 62,120 | 59,556 |

## 12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

## 13 Tangible fixed assets

| | Leasehold land and buildings | Fixtures and fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 April 2024 | 3,934,505 | 82,455 | 4,016,960 |
| Additions | 363,816 | - | 363,816 |
| At 31 March 2025 | 4,298,321 | 82,455 | 4,380,776 |
| **Depreciation and impairment** | | | |
| At 1 April 2024 | 558,181 | 79,084 | 637,265 |
| Depreciation charged in the year | 41,997 | 696 | 42,693 |
| At 31 March 2025 | 600,178 | 79,780 | 679,958 |
| **Carrying amount** | | | |
| At 31 March 2025 | 3,698,143 | 2,675 | 3,700,818 |
| At 31 March 2024 | 3,376,324 | 3,371 | 3,379,695 |

The three phases of the Alison Centre are the development included within land and buildings. It is located in an area of significant deprivation, an area where the market has failed and an area that needs to be economically regenerated. The Alison Centre is part of the plan for economic regeneration.

The buildings have been professionally valued at a total of £1.8m during 2015. This is below the carrying value in the accounts of £3,698,143. The difference will be generated through the long term impacts of the development i.e. local job creation, as businesses move in and acting as a beacon for business development. It has changed the image of the area, making it more attractive for people to move in. Indeed this was the purpose of the public investment in the first place.

There is no formal lease in place between Sheffield City Council and Manor Development Company Limited in respect of two phases of the Alison Centre.

The matter is under negotiation and the trustees are under the opinion that a lease will be signed and therefore consider it appropriate to treat expenditure on the two phases as capital expenditure.

If a lease is not granted by Sheffield City Council then the capital expenditure on leasehold property may need to be written off.

## 14 Debtors

| Amounts falling due within one year: | 2025 £ | 2024 £ |
|---|---|---|
| Trade debtors | 2,463 | 2,797 |
| Amounts owed by subsidiary undertakings | 340,421 | 303,939 |
| Other debtors | 19,159 | 20,322 |
| Prepayments and accrued income | 9,462 | 140,138 |
| | 371,505 | 467,196 |

## 15 Current asset investments

| | 2025 £ | 2024 £ |
|---|---|---|
| Fixed term deposit accounts | 270,685 | 259,092 |

## 16 Creditors: amounts falling due within one year

| | 2025 £ | 2024 £ |
|---|---|---|
| Other taxation and social security | 3,184 | 2,532 |
| Trade creditors | 522 | - |
| Other creditors | 952,048 | 953,505 |
| Accruals and deferred income | 7,960 | 10,510 |
| | 963,714 | 966,547 |

## 17 Retirement benefit schemes

| Defined contribution schemes | 2025 £ | 2024 £ |
|---|---|---|
| Charge to profit or loss in respect of defined contribution schemes | 9,261 | 8,897 |

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

## 18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 1 April 2024 | Incoming resources | Resources expended | At 31 March 2025 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| General funds | 3,218,708 | 642,051 | (369,013) | 3,491,746 |

| Previous year: | At 1 April 2023 | Incoming resources | Resources expended | At 31 March 2024 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| General funds | 3,163,292 | 334,051 | (278,635) | 3,218,708 |

## 19 Financial commitments, guarantees and contingent liabilities

The Phase I development which is included in land and buildings of the charitable company at a cost of £720,575 was fully funded by Capital Grants received. Similarly the Phase III development which is included in land and buildings of the charitable company at a cost of £3,213,930 was also fully funded by Capital Grants received.

The grants become repayable in the event that services provided fail to comply with the terms of the Capital Grant funding agreements. The trustees consider that the risk of repayment is remote.

## 20 Capital commitments

Amounts contracted for but not provided in the financial statements:

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Acquisition of property, plant and equipment | - | 132,210 |

The capital commitments for 2024 related to a property, 296-298 Prince of Wales Road, which was exchanged and completed in April 2024.

## 21 Related party transactions

During the year the charitable company operated a loan account with its trading subsidiary company, Manor Development Company (Alison Centre) Limited. At 1 April 2024 the amount owed to the charitable company from Manor Development Company (Alison Centre) Limited was £303,938. During the year wages recharges of £215,462 and licence fees of £18,000 were charged by Manor Development Company Limited to its subsidiary. The subsidiary also made a gift aid donation of £128,662 to Manor Development Company Limited. At 31 March 2025 the amount due to Manor Development Company Limited from its trading subsidiary was £340,421.

## 22 Subsidiaries

These financial statements are separate charity financial statements for Manor Development Company Limited. The financial statements present information about the charitable company as an individual undertaking and not as a group.

The charitable company has control of 100% of the assets and trade of Manor Development Company (Alison Centre) Limited (company number 03581273), a company limited by guarantee. Manor Development Company Limited are able to appoint and remove directors in this company and in 2009 it was resolved that Manor Development Company Limited was to be its only member. The cost of the investment in the subsidiary is £nil (2024: £nil). The subsidiary's activity is social enterprise. Its incoming resources for the year were £631,163 (2024: £631,392) and its total resources expended were £507,476 (2024: £498,917), leaving a profit for the year of £123,687 (2024: £132,475). The company made a gift aid donation to Manor Development Company Limited of £128,662 (2024: £90,892) during the year. At 31 March 2025 the capital and reserves of Manor Development Company (Alison Centre) Limited were £220,492 (2024: £225,467). The charitable company does not have a statutory obligation to prepare group accounts and so consolidated accounts have not been prepared.

## 23 Cash generated from operations

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Surplus for the year | 273,038 | 55,416 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (142,067) | (100,348) |
| Fixed assets acquired by donation | (158,500) | - |
| Depreciation and impairment of tangible fixed assets | 42,693 | 40,018 |
| Movements in working capital: | | |
| Decrease/(increase) in debtors | 95,691 | (118,010) |
| (Decrease)/increase in creditors | (2,833) | 53 |
| **Cash generated from/(absorbed by) operations** | 108,022 | (122,871) |

**MANOR DEVELOPMENT COMPANY LIMITED**

England & Wales - Charity number 1131906

# Accounts

CHARITY REGISTRATION NUMBER 1131906

COMPANY REGISTRATION NUMBER 02741421

# MANOR DEVELOPMENT COMPANY LIMITED

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2024

UHY Hacker Young
Chartered Accountants

# MANOR DEVELOPMENT COMPANY LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

---

| | |
|---|---|
| **Trustees** | C M Dean<br>R S Foster<br>C A Jenkinson<br>N Jowitt |
| **Secretary** | C M Dean |
| **Chief Executive Officer** | R Dowling |
| **Charity number** | 1131906 |
| **Company number** | 02741421 |
| **Registered office** | Alison Business Centre<br>40 Alison Crescent<br>Manor<br>Sheffield<br>South Yorkshire<br>S2 1AS |
| **Auditor** | UHY Hacker Young<br>6 Broadfield Court<br>Broadfield Way<br>Sheffield<br>S8 0XF |
| **Bankers** | Co-operative Bank plc<br>PO Box 250<br>Skelmersdale<br>WN8 6WT |

**MANOR DEVELOPMENT COMPANY LIMITED**

**CONTENTS**


| | **Page** |
|---|---|
| Trustees' report | 1 - 6 |
| Statement of trustees' responsibilities | 7 |
| Independent auditor's report | 8 - 11 |
| Statement of financial activities | 12 |
| Balance sheet | 13 |
| Notes to the financial statements | 14 - 26 |

# MANOR DEVELOPMENT COMPANY LIMITED

# TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
# FOR THE YEAR ENDED 31 MARCH 2024

---

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

**Objectives and activities**
The charity’s objects, as set out in the constitution, are the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation, and in particular the Manor Estate in the City of Sheffield area by the following means:

- the relief of poverty
- the advancement of education
- the relief of unemployment
- the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances, have need of such facilities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and have paid due regard to the Charity Commission guidance on public benefit, and our achievements over this year are broadly as follows:

- Completing the eighth full year of operations within the Manor Works, achieving overall lettings reaching almost 100% for a number of months towards the end of the year.
- Maintaining our support for local businesses – especially start up companies – both through the availability of top-quality units in a locality where they are not readily available, and in advice regularly offered to such businesses by the CEO and other staff.
- Steadily expanding the use of our high-quality meeting and conference space, and thereby providing support for training, recreational and other activities on a commercial basis, as well as hosting activities for local people as a key part of our “good neighbour” policy with respect to the Manor Estate.
- Effectively and safely managing a small but dynamic staff team, in a period which remains challenging, and continuing to do so profitably and in a way that will guarantee long-term sustainability for the community, the business and the staff
- Using a flexible approach to new and start up businesses, with an emphasis on supporting people planning to become self-employed, and in general increasing employment and training opportunities available in our area of interest. Increasing our range of services to new business that does not require a static base, but an ever changing and highly professional approach, through a range of business services that help in small business administration.
- Where appropriate, representing the interests of the local community, and seeking to give them an effective voice across a range of issues – wherever possible acting as a “good neighbour” to the people of the Manor - and providing advice to external bodies as required, especially in respect of anti-social behaviour affecting the public green space adjacent to which our buildings are located.

**Achievements and performance**

**Manor Works**

Our landmark building has enjoyed another successful year of commercial operation, with steady demand for high-quality lettings, making a major contribution to the success of the wider business…

…and is established as an engine for increased business and community activities within the Manor area, and because of its high quality, configuration and facilities has very greatly broadened the range of businesses choosing to operate from Manor Development Companies current commercial estate.

**Alison Business Centre Phase1&2**

Overall, our operating arm, Alison Business Centre, runs 33,500 square feet of commercial space, comprising seventy workshops and forty-four offices and split across three adjacent sites...and has routinely maintained close to full occupancy...with some periods when every single unit was let...and this gives us a very strong and robust commercial base from which to support our wider community ambitions and objectives.

All tenants benefit from full reception, post and ancillary services provided by the Company, and the training, meeting and atrium spaces are all available, and continuing to be used by the local community for a range of activities.

**MATREC**

In the course of this year, we gave great emphasis to developing our partnership with the Manor Training and Resource Centre (MATREC)…and in consequence have now established links at Board Level, and initiated the purchase of 296/8 Prince of Wales Road, a shop-front/commercial unit close to their main building…but surplus to their current requirements, and a substantial and avoidable drain on their financial and management resources. We have negotiated and agreed a commercial price, and our intention is to keep the building in community ownership…let some of it commercially to offset cost…but develop community uses for the parts of it most suitable for that purpose (the ground floor/shop-front area), working in partnership with them.

This will reduce management pressure on them, and strengthen their cash base…broaden our commercial offer…and facilitate the further development of our community-facing partnership working in the medium and long term. It provides a very exciting new opportunity to pursue our charitable objectives, but underpinned, as all our work is, by a rigorous determination to increase the value and income of the assets we hold and manage on behalf of the Manor Community.

**Shine Academy, 300 Prince-of-Wales Road**

We have in addition opened discussion with Shine Academy who occupy another property adjacent to MATREC and 296/8…with a view to taking over their building at no cost, and working with them to keep it in good order, and in community use.

**Angleton Meeting Rooms**

Through the support of a local housing provider (Places for People) Angleton Meeting Rooms is partly financed and largely managed by Manor Development Company Ltd, with a view to facilitating positive activities in the neighbourhood. Having achieved a strong commercial position through the success of Alison Business Centre, the Manor Development Company Charity now increasingly sees Angleton as a community development opportunity to be taken up in the medium term.

**Other "good neighbour" activities**
Manor Development Company can and does continue to act as the voice for those living close to the facility, and for other key community organisations...in areas such as crime and vandalism and stands ready to work in partnership with other projects to support a range of indoor and outdoor social, educational and other activities whenever required, increasingly working from the new facilities at Manor Works. As an employer MDC continues to welcome applications from the local community.

As one of the oldest community-owned third sector organisations on the Manor Estate the Company continues to maintain links and work in cooperation with a network of local organisations – and has especially started to develop a robust partnership with colleagues at MATREC...cemented by our agreement to purchase 296-298 Prince of Wales Road, which is now being executed.

In addition we also engage with the Manor and Castle Development Trust, MASKK and the Manor Community Childcare Centre; to support key projects, especially those targeting local young people like, My Life Project and Shine; and to maintain links with service providers including Places for People, ACIS (the local RSL's), local government and local emergency services as well as the Community Youth Team…who are long standing local licensees, with a base on site.

The company would as always like to formally thank those who have provided funding and continuing support, especially Sheffield City Council, as well as those who give freely throughout the year of their time and donations for the benefit of the area and the people who live and work in it.

It sends its thanks to all those who have supported its activities during the past year and special thanks to the partners, residents and volunteers who have played a vital role in developing its involvement locally and to local businesses who support and use the services on offer.

**Financial review**
The Statement of Financial Activities shows a net increase in funds of £55,416 (2023: £72,143). The charity has general unrestricted reserves of £3,218,708 compared to £3,163,292 the previous year.

We would like to thank all staff and partners for their commitment towards making Manor and Castle a better place to live and work. Manor Development Company relies on the support it gets both from its staff and volunteers and from its partners in order to achieve its objectives.

**Reserves Policy**

**Introduction**
This reserves policy has been developed as a part of the Trustees risk identification approach and is based on income streams for both MDC the Charity and its subsidiaries. Where this policy states MDC this term includes its subsidiaries.

**Definition**
The term reserves is that part of MDC's income that is freely available for its general purposes once it has met its commitments and covered its other planned expenditure. This is generally monies that have been generated through the sale of services etc through the charity's trading subsidiary. This excludes any monies received as restricted funds (e.g. where a funder has specified what the money must be spent on and therefore the Trustees do not have the power to spend the money on anything else).

**Policy**

**Policy - Unrestricted Funds**
Reserves are built up and then maintained at a level that ensures that 6-9 months of the organisations' current activity could continue during a period of unforeseen difficulty. At present this is estimated at or around £205-£305k.
The amount above include:-

- Working capital to ensure its business centre can continue to operate for a designated period of reduced/lost income.
- To meet costs of securing and maintaining properties held by the charity in the event of closure
- Redundancy Costs
- Legal and Accountancy Costs
- Expiry of leases on certain property, plant and office equipment.
- Buildings and Statutory Compliance.

**Policy - Designated Funds**
The following areas cover the amounts of designated funds that MDC will use for particular purposes

- Building Renewals

MDC reserves the right to re-assign designated funds within its unrestricted funds.

**Policy - Pursuing our Charity Objectives**
The trustees will ensure that it can support its commitment to its core aims by designating an amount annually to be used to support its community activity from any unrestricted funds held at that time. This amount will be agreed on at year-end, after a full review of the company's financial position.

**Review of Policy**
This policy will be reviewed annually in line with the company's financial status and will take account of any changes in circumstances of itself and its trading subsidiaries at this time.

The trustees has assessed the major risks to which the charity is exposed, including operational and business risks, and are satisfied that systems are in place to mitigate exposure to the major risks. It regularly reviews all its policies in order to ensure that they are relevant and effective.

**Plans for future periods**
In furtherance of its support to local employment and community participation, Manor Development Company Limited has now completed its strategic plan to build a new business and community resource centre, which has now achieved very considerable commercial success...which supports a thriving community of licensee and their businesses – which have survived the vicissitudes of the last couple of years, and both grown and thrived.

Overall, the demand for the spaces and services we offer has grown month-on-month...at least in part because work-styles have evolved in the last few years – with many smaller businesses preferring to have their own front door, ample car-parking, and secure but compact spaces suited to the shift to hybrid working which is increasingly embedded in the economic and social life of the UK.

...thus, in the coming period, we will build on this experience commercially, embed our growing partnership with MATREC, and do our level best to contribute to prosperity and social stability across the Manor Community...as well as doing what we can to support the local community and our tenant businesses to handle the economic and political turbulence which will inevitably follow the continuing war in the Ukraine…

…finally, as always, we would like to thank all staff and partners for their commitment towards making Manor a better place to live and work. Manor Development Company relies on the support it gets both from its staff and volunteers and from its partners in order to achieve its objectives.

**Structure, governance and management**
Manor Development Company was registered as a company limited by guarantee in 1992 and gained charitable status as of September 2009. The constitution is set out in its Memorandum and Articles of Association, which was amended in February 2009.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:
C M Dean
R S Foster
C A Jenkinson
N Jowitt

The charity is registered with the Registrar of Charities, number 1131906. The constitution provides for a minimum of 3 nominated member trustees to be people who live or work in the geographical area of benefit, i.e. the Manor Estate, Sheffield.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Our trading subsidiary Alison Business Centre has continued to build momentum, and we have been fortunate in that our centre is designed to ensure that each business can work independently on site…which is ideal for models of work and business that are now increasingly embedded in the UK.

The company is the sole member of Manor Development Company (Alison Centre) Limited which is also limited by guarantee.

**Asset cover for funds**
It is a condition of the funding for Phase III that the Phase II buildings (currently included in the balance sheet of the company's wholly owned subsidiary Manor Development Company (Alison Centre) Limited are transferred to this charity. The transfer has been subject to the delays caused by issues and land leases. MDC is working with its partners to complete this process.

**Disclosure of information to auditor**
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

**R S Foster**
Trustee
Dated: 11 December 2024

# MANOR DEVELOPMENT COMPANY LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES
## FOR THE YEAR ENDED 31 MARCH 2024

---

The trustees, who are also the directors of Manor Development Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- 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 charity will continue in operation.

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

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED

## Opinion

We have audited the financial statements of Manor Development Company Limited (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet and 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its 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 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty relating to going concern

We have identified a matter of concern in our report because we have concerns that the charity may not be able to continue as a going concern. Disclosure has been made in note 1.2 to the accounts concerning the charity's ability to continue as a going concern. Whilst re-financing discussions are taking place, there is some doubt over whether the charity has sufficient working capital over the next 12 months. The charity has net current liabilities of £160,987. These conditions, along with the matters explained in note 1.2 to the accounts, indicate the existence of a material uncertainty which may cast significant doubt about the charity's ability to continue as a going concern. The accounts do not include the adjustments that would result if the charity was unable to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

**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 trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors and enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

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

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

**Use of our report**

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Michael Mealing (Senior Statutory Auditor)**
**for and on behalf of UHY Hacker Young** 11 December 2024

**Chartered Accountants**
**Statutory Auditor**

# MANOR DEVELOPMENT COMPANY LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

## FOR THE YEAR ENDED 31 MARCH 2024

| | Notes | Total 2024 | Total 2023 |
|---|---|---|---|
| | | £ | £ |
| **Income from:** | | | |
| Donations and legacies | **3** | 17,340 | 15,600 |
| Charitable activities | **4** | 216,363 | 203,548 |
| Investments | **5** | 100,348 | 114,477 |
| **Total income** | | 334,051 | 333,625 |
| **Expenditure on:** | | | |
| Charitable activities | **6** | 278,635 | 261,482 |
| **Net income for the year/ Net movement in funds** | | 55,416 | 72,143 |
| Fund balances at 1 April 2023 | | 3,163,292 | 3,091,149 |
| **Fund balances at 31 March 2024** | | 3,218,708 | 3,163,292 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# MANOR DEVELOPMENT COMPANY LIMITED

## BALANCE SHEET

## AS AT 31 MARCH 2024

| | Notes | 2024 | | 2023 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Tangible assets | **12** | | 3,379,695 | | 3,419,712 |
| **Current assets** | | | | | |
| Debtors | **13** | 467,196 | | 349,187 | |
| Investments | **14** | 259,092 | | 253,713 | |
| Cash at bank and in hand | | 79,272 | | 107,174 | |
| | | 805,560 | | 710,074 | |
| **Creditors: amounts falling due within one year** | **15** | (966,547) | | (966,494) | |
| Net current liabilities | | | (160,987) | | (256,420) |
| **Total assets less current liabilities** | | | 3,218,708 | | 3,163,292 |
| **Income funds** | | | | | |
| Unrestricted funds | | | 3,218,708 | | 3,163,292 |
| | | | 3,218,708 | | 3,163,292 |

The financial statements were approved by the Trustees on 11 December 2024

R S Foster
**Trustee**

**Company registration number 02741421**

## 1 Accounting policies

### Charity information

Manor Development Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Alison Business Centre, 40 Alison Crescent, Manor, Sheffield, S2 1ASAlison Business Centre, 40 Alison Crescent, Manor, Sheffield, South Yorkshire, S2 1AS.

### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### 1.2 Going concern

The trustees consider the charity to be a going concern and the accounts are prepared on this basis. Sheffield City Council have provided a cash flow facility for the completion of the Phase III development. This facility is repayable to Sheffield City Council and discussions are on-going in respect of additional grant funding and loan finance from alternative funders to replace this facility.

The trustees are confident that funding will be obtained to replace Sheffield City Council's facility and they do however recognise that it will be a challenge to ensure the Phase III development is sustainable, bearing in mind the deprived nature of the area. However, all the stakeholders in the development have continued to work together to give it the best possible chance for success.

As such, the trustees consider the charity is a going concern and have prepared the accounts accordingly. In making that assessment, the trustees have also specifically considered the impact of the coronavirus on the operations of the charity, alongside actions taken to mitigate that impact.

### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

**1 Accounting policies (Continued)**

**1.4 Incoming resources**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable except as follows:

- when donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

- when donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, the income is included in incoming resources of restricted funds when receivable.

- incoming resources from managed workspace represents rents received and services provided to office units and workshop units net of VAT and trade discounts in the accounts of the group.

- in the accounts of the charitable company alone the income from expenses recharged represents costs borne on behalf of the subsidiary and recharged to the subsidiary.

Where the amount paid for the rental of the land used by the charity is below the commercial rate, a donation is included in income for the difference between the commercial rate and the amount actually paid by the group.

**1.5 Resources expended**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are included in the Statement of Financial Activities on an accruals basis and are recognised when there is a legal or constructive obligation to make a payment to a third party. All resources expended are classified under activity headings that aggregate all costs related to the category.

Charitable activities include activities undertaken to further the purposes of the charity.

Governance costs represent those costs of strategic management and of complying with statutory requirements.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**1 Accounting policies** **(Continued)**

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---|---|
| Leasehold property | 1% straight line |
| Fixtures and fittings | 15%/33% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Fixed assets costing less than £500 are not capitalised.

**1.7 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1 Accounting policies** **(Continued)**

**1.9 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**1 Accounting policies (Continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### Critical judgements

**Donation of land**
The charity and its trading subsidiary company receive a donation for the land it operates from as the actual rental it pays for the land is below the commercial rate. To estimate this donation, the trustees need to make an assessment of what the commercial rent would be. This involves a review of evidence as to how commercial rates for the rent of land are calculated and then using this evidence to estimate a donation.

## 3 Donations and legacies

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Donated goods and services | 17,340 | 15,600 |

## 4 Charitable activities

| | Total 2024 | Total 2023 |
|---|---|---|
| | £ | £ |
| Sales within charitable activities | 212,923 | 200,108 |
| Charitable rental income | 3,440 | 3,440 |
| | 216,363 | 203,548 |

## 5 Investments

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Gift aid received from subsidiary company | 90,892 | 110,926 |
| Interest receivable | 9,456 | 3,551 |
| | 100,348 | 114,477 |

## 6 Charitable activities

| | Total 2024 | Total 2023 |
|---|---|---|
| | £ | £ |
| Staff costs | 206,290 | 191,549 |
| Depreciation and impairment | 40,018 | 39,717 |
| Angleton rooms | 3,651 | 3,760 |
| Rent and rates | 17,340 | 15,600 |
| Legal, professional and consultancy fees | 2,535 | 4,548 |
| Bank charges | 143 | 140 |
| General expenses | 2,935 | 1,809 |
| | 272,912 | 257,123 |
| Grant funding of activities (see note 7) | 3,573 | 1,959 |
| Share of governance costs (see note 8) | 2,150 | 2,400 |
| | 278,635 | 261,482 |

## 7 Grants payable

| | Total 2024 | Total 2023 |
|---|---|---|
| | £ | £ |
| Grants to institutions: | | |
| Matrec | 2,373 | 1,909 |
| My Life Project | 1,200 | - |
| Other | - | 50 |
| | 3,573 | 1,959 |

## 8 Support costs

| | Support costs | Governance costs | 2024 | Support costs | Governance costs | 2023 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| Audit fees | - | 2,150 | 2,150 | - | 2,400 | 2,400 |
| | - | 2,150 | 2,150 | - | 2,400 | 2,400 |
| Analysed between | | | | | | |
| Charitable activities | - | 2,150 | 2,150 | - | 2,400 | 2,400 |

Governance costs includes payments to the auditor of £2,150 for audit fees (2023: £2,400). Legal and professional fees include payments to the auditor of £2,500 (2023: £2,750) for other services.

## 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or any other benefits from employment with the charitable company or any other related entity during the year, and no trustee expenses have been incurred (2023: £nil).

## 10 Employees

**Number of employees**

The average monthly number of employees during the year was:

| | 2024 Number | 2023 Number |
|---|---|---|
| Trustees/directors | 4 | 4 |
| Management/administration/finance | 11 | 9 |
| | 15 | 13 |

| **Employment costs** | 2024 £ | 2023 £ |
|---|---|---|
| Wages and salaries | 189,918 | 176,163 |
| Social security costs | 7,475 | 7,019 |
| Other pension costs | 8,897 | 8,367 |
| | 206,290 | 191,549 |

There were no employees whose annual remuneration was £60,000 or more.

## 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxationof Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## 12 Tangible fixed assets

| | Leasehold land and buildings | Fixtures and fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 April 2023 | 3,934,505 | 82,455 | 4,016,960 |
| At 31 March 2024 | 3,934,505 | 82,455 | 4,016,960 |
| **Depreciation and impairment** | | | |
| At 1 April 2023 | 518,859 | 78,388 | 597,247 |
| Depreciation charged in the year | 39,322 | 696 | 40,018 |
| At 31 March 2024 | 558,181 | 79,084 | 637,265 |
| **Carrying amount** | | | |
| At 31 March 2024 | 3,376,324 | 3,371 | 3,379,695 |
| At 31 March 2023 | 3,415,645 | 4,067 | 3,419,712 |

The three phases of the Alison Centre are the development included within land and buildings. It is located in an area of significant deprivation, an area where the market has failed and an area that needs to be economically regenerated. The Alison Centre is part of the plan for economic regeneration.

The buildings have been professionally valued at a total of £1.8m during 2015. This is below the carrying value in the accounts of £3,376,323. The difference will be generated through the long term impacts of the development i.e. local job creation, as businesses move in and acting as a beacon for business development. It has changed the image of the area, making it more attractive for people to move in. Indeed this was the purpose of the public investment in the first place.

There is no formal lease in place between Sheffield City Council and Manor Development Company Limited in respect of two phases of the Alison Centre.

The matter is under negotiation and the trustees are under the opinion that a lease will be signed and therefore consider it appropriate to treat expenditure on the two phases as capital expenditure.

If a lease is not granted by Sheffield City Council then the capital expenditure on leasehold property may need to be written off.

## 13 Debtors

| Amounts falling due within one year: | 2024 £ | 2023 £ |
|---|---|---|
| Trade debtors | 2,797 | 3,850 |
| Amounts owed by subsidiary undertakings | 303,939 | 322,833 |
| Other debtors | 20,322 | 19,606 |
| Prepayments and accrued income | 140,138 | 2,898 |
| | 467,196 | 349,187 |

## 14 Current asset investments

| | 2024 £ | 2023 £ |
|---|---|---|
| Unlisted investments | 259,092 | 253,713 |

## 15 Creditors: amounts falling due within one year

| | 2024 £ | 2023 £ |
|---|---|---|
| Other taxation and social security | 2,532 | 2,688 |
| Trade creditors | - | 184 |
| Other creditors | 953,505 | 953,505 |
| Accruals and deferred income | 10,510 | 10,117 |
| | 966,547 | 966,494 |

## 16 Financial commitments, guarantees and contingent liabilities

The Phase I development which is included in land and buildings of the charitable company at a cost of £720,575 was fully funded by Capital Grants received. Similarly the Phase III development which is included in land and buildings of the charitable company at a cost of £3,213,930 was also fully funded by Capital Grants received.

The grants become repayable in the event that services provided fail to comply with the terms of the Capital Grant funding agreements. The trustees consider that the risk of repayment is remote.

## 17 Capital commitments

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| At 31 March 2024 the charity had capital commitments as follows: | | |
| Contracted for but not provided in the financial statements: | | |
| Acquisition of property, plant and equipment | 132,210 | - |

The charity exchanged and completed on a property, 296-298 Prince of Wales Road, shortly after the year end date.

## 18 Related party transactions

**Remuneration of key management personnel**
The remuneration of key management personnel is as follows.

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Aggregate compensation | 59,556 | 53,923 |

Staff remuneration including all key management personnel was reviewed and agreed by Trustees.

The following factors were taken into consideration:
- market rates
- inflation
- affordability

During the year the charitable company operated a loan account with its trading subsidiary company, Manor Development Company (Alison Centre) Limited. At 1 April 2023 the amount owed to Manor Development Company (Alison Centre) Limited from the charitable company was £322,833. During the year wages recharges of £194,923 and licence fees of £18,000 were charged by Manor Development Company Limited to its subsidiary. The subsidiary also made a gift aid donation of £90,892 to Manor Development Company Limited. At 31 March 2024 the amount due to Manor Development Company Limited from its trading subsidiary was £303,938.

## 19 Subsidiaries

These financial statements are separate charity financial statements for Manor Development Company Limited. The financial statements present information about the charitable company as an individual undertaking and not as a group.

The charitable company has control of 100% of the assets and trade of Manor Development Company (Alison Centre) Limited (company number 03581273), a company limited by guarantee. Manor Development Company Limited are able to appoint and remove directors in this company and in 2009 it was resolved that Manor Development Company Limited was to be its only member. The cost of the investment in the subsidiary is £nil (2023: £nil). The subsidiary's activity is social enterprise. Its incoming resources for the year were £631,392 (2023: £584,796) and its total resources expended were £498,917 (2023: £460,865), leaving a profit for the year of £132,475 (2023: £123,931). The company made a gift aid donation to Manor Development Company Limited of £90,892 (2023: £110,926) during the year. At 31 March 2024 the capital and reserves of Manor Development Company (Alison Centre) Limited were £225,467 (2023: £183,884). The charitable company does not have a statutory obligation to prepare group accounts and so consolidated accounts have not been prepared.

**MANOR DEVELOPMENT COMPANY LIMITED**

England & Wales - Charity number 1131906

# Accounts

CHARITY REGISTRATION NUMBER 1131906

COMPANY REGISTRATION NUMBER 02741421

# MANOR DEVELOPMENT COMPANY LIMITED

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2023

# MANOR DEVELOPMENT COMPANY LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| **Trustees** | C M Dean<br>R S Foster<br>C A Jenkinson<br>N Jowitt |
| **Secretary** | C M Dean |
| **Chief Executive Officer** | R Dowling |
| **Charity number** | 1131906 |
| **Company number** | 02741421 |
| **Registered office** | Alison Business Centre<br>40 Alison Crescent<br>Manor<br>Sheffield<br>South Yorkshire<br>S2 1AS |
| **Auditor** | UHY Hacker Young<br>6 Broadfield Court<br>Broadfield Way<br>Sheffield<br>S8 0XF |
| **Bankers** | Co-operative Bank plc<br>PO Box 250<br>Skelmersdale<br>WN8 6WT |

# MANOR DEVELOPMENT COMPANY LIMITED

## CONTENTS


| | Page |
|---|---|
| Trustees' report | 1 - 6 |
| Statement of trustees' responsibilities | 7 |
| Independent auditor's report | 8 - 11 |
| Statement of financial activities | 12 |
| Balance sheet | 13 |
| Notes to the financial statements | 14 - 25 |

# MANOR DEVELOPMENT COMPANY LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

## FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

**Objectives and activities**

The charity's objects, as set out in the constitution, are the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation, and in particular the Manor Estate in the City of Sheffield area by the following means the:

- the relief of poverty
- the advancement of education
- the relief of unemployment
- the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances, have need of such facilities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and have paid due regard to the Charity Commission guidance on public benefit.

- Completing the seventh full year of operations within the Manor Works, achieving overall lettings of over 95% with individual monthly letting reaching almost 100% in some periods of the year.
- Maintaining our support for local businesses – especially start up companies – both through the availability of top-quality units in a locality where they are not readily available, and in particular by supporting and advising tenants in respect of C-19 recovery, and operating safely as normal business was for the most part resumed.
- Fully re-opening our high-quality meeting and conference space, and thereby providing support for training, recreational and other activities on a commercial basis, as well as hosting activities for local people as a key part of our "good neighbour" policy with respect to the Manor Estate.
- Effectively and safely managing a small but dynamic staff team, in a period which remains challenging, and continuing to do so profitably and in a way that will guarantee long-term sustainability for the community, the business and the staff
- Using a flexible approach to new and start up businesses, with an emphasis on supporting people planning to become self-employed, and in general increasing employment and training opportunities available in our area of interest. Increasing our range of services to new business that does not require a static base, but an ever changing and highly professional approach, through a range of business services that help in small business administration.
- Where appropriate, representing the interests of the local community, and seeking to give them an effective voice across a range of issues – wherever possible acting as a "good neighbour" to the people of the Manor - and providing advice to external bodies as required, as a "new normal" was established post C-19.

**Achievements and performance**

**Manor Works**

Our landmark building has enjoyed another successful year of commercial operation, with steady demand for high-quality lettings, making a major contribution to the success of the wider business. Its RIBA award-winning status continues to attract some interest across Sheffield City and Region…

…and is established as an engine for increased business and community activities within the Manor area, and because of its high quality, configuration and facilities has very greatly broadened the range of businesses choosing to operate from Manor Development Companies current commercial estate.

**Alison Business Centre Phase1&2**

Overall, our operating arm, Alison Business Centre, runs 33,500 square feet of commercial space, comprising seventy workshops and forty-four offices and split across three adjacent sites...and has routinely maintained 97% plus occupancy...with some periods when every single unit was let...and this gives us a very strong and robust commercial base from which to support our wider community ambitions and objectives.

All tenants benefit from full reception, post and ancillary services provided by the Company, and the training, meeting and atrium spaces are all available, and continuing to be used by the local community for a range of activities.

**MATREC**

In the course of this year, we gave great emphasis to developing our partnership with the Manor Training and Resource Centre (MATREC)…and in consequence have now established links at Board Level, and made an "in principle" commitment to purchasing 296/8 Prince of Wales Road, a shop-front/commercial unit close to their main building…but surplus to their current requirements, and a substantial and avoidable drain on their financial and management resources. We will pay an agreed commercial price, and then our intention is to keep the building in community ownership…let some of it commercially to offset cost…but develop community uses for the parts of it most suitable for that purpose (the ground floor/shop-front area), working in partnership with them.

This will reduce management pressure on them, and strengthen their cash base…broaden our commercial offer…and facilitate the further development of our community-facing partnership working in the medium and long term. It provides a very exciting new opportunity to pursue our charitable objectives, but underpinned, as all our work is, by a rigorous determination to increase the value and income of the assets we hold and manage on behalf of the Manor Community.

**Angleton Meeting Rooms**

Through the support of a local housing provider (Places for People) Angleton Meeting Rooms is partly financed and largely managed by Manor Development Company Ltd, with a view to facilitating positive activities in the neighbourhood. Having achieved a strong commercial position through the success of Alison Business Centre, the Manor Development Company Charity now increasingly sees Angleton as a community development opportunity to be taken up in the medium term.

**Other "good neighbour" activities**
Manor Development Company can and does continue to act as the voice for those living close to the facility, and for other key community organisations...in areas such as crime and vandalism and stands ready to work in partnership with other projects to support a range of indoor and outdoor social, educational and other activities whenever required, increasingly working from the new facilities at Manor Works. As an employer MDC continues to welcome applications from the local community.

As one of the oldest community-owned third sector organisations on the Manor Estate the Company continues to maintain links and work in cooperation with a network of local organisations – and has especially started to develop a robust partnership with colleagues at MATREC...which may result in our working in partnership with them over the forthcoming year to develop one of their two buildings, which is currently mothballed.

In addition we also engage with the Manor and Castle Development Trust, MASKK and the Manor Community Childcare Centre; to support key projects, especially those targeting local young people like, My Life Project and Shine; and to maintain links with service providers including Places for People, ACIS (the local RSL's), local government and local emergency services as well as the Community Youth Team…who are long standing local licensees, with a base on site.

The company would as always like to formally thank those who have provided funding and continuing support, especially Sheffield City Council, as well as those who give freely throughout the year of their time and donations for the benefit of the area and the people who live and work in it.

It sends its thanks to all those who have supported its activities during the past year and special thanks to the partners, residents and volunteers who have played a vital role in developing its involvement locally and to local businesses who support and use the services on offer.

**Financial review**
The Statement of Financial Activities shows a net increase in funds of £72,143 (2022: £139,778). The charity has general unrestricted reserves of £3,163,292 compared to £3,091,149 the previous year.

We would like to thank all staff and partners for their commitment towards making Manor and Castle a better place to live and work. Manor Development Company relies on the support it gets both from its staff and volunteers and from its partners in order to achieve its objectives.

**Reserves Policy**

**Introduction**
This reserves policy has been developed as a part of the Trustees risk identification approach and is based on income streams for both MDC the Charity and its subsidiaries. Where this policy states MDC this term includes its subsidiaries.

**Definition**
The term reserves is that part of MDC's income that is freely available for its general purposes once it has met its commitments and covered its other planned expenditure. This is generally monies that have been generated through the sale of services etc through the charity's trading subsidiary.This excludes any monies received as restricted funds (e.g. where a funder has specified what the money must be spent on and therefore the Trustees do not have the power to spend the money on anything else).

**Policy**

**Policy - Unrestricted Funds**
Reserves are built/maintained at a level that ensures that 6-9 months of the organisations' current activity could continue during a period of unforeseen difficulty. At present this is estimated at or around £205-305k.
The amounts above include

- Working capital to ensure its business centre can continue to operate for a designated period of reduced/lost income
- To meet costs of securing and maintaining properties held by the charity in the event of closure
- Redundancy costs
- Legal and Accountancy Costs
- Expiry of leases on certain property, plant and office equipment
- Buildings and Statutory Compliance

**Policy - Designated Funds**
The following areas cover the amounts of designated funds that MDC will use for particular purposes

- Building Renewals

MDC reserves the right to re-assign designated funds within its unrestricted funds.

**Policy - Pursuing our Charity Objectives**
The trustees will ensure that it can support its commitment to its core aims by designating an amount annually to be used to support its community activity from any unrestricted funds held at that time. This amount will be agreed on at the year end, after a full review of the company's financial position.

**Review of Policy**
This policy will be reviewed annually in line with the company's financial status and will take account of any changes in circumstances of itself and its trading subsidiaries at this time.

The trustees has assessed the major risks to which the charity is exposed, including operational and business risks, and are satisfied that systems are in place to mitigate exposure to the major risks. It regularly reviews all its policies in order to ensure that they are relevant and effective.

**Plans for future periods**

In furtherance of its support to local employment and community participation, Manor Development Company Limited has now completed its strategic plan to build a new business and community resource centre, which has now achieved very considerable commercial success...which supports a thriving community of licensee and their businesses – which have survived the vicissitudes of the last couple of years, and both grown and thrived.

Overall, the demand for the spaces and services we offer has grown month-on-month...at least in part because work habits have changed during this recent and challenging period – with many smaller businesses preferring to have their own front door, ample car-parking, and secure but compact spaces suited to the shift to hybrid working which at present seems to be a long-term C-19 legacy.

...thus, in the coming period, we will build on this experience commercially, embed our growing partnership with MATREC, and do our level best to contribute to prosperity and social stability across the Manor Community...as well as doing what we can to support the local community and our tenant businesses to handle the economic and political turbulence which will inevitably follow the continuing war in the Ukraine…

…finally, as always, we would like to thank all staff and partners for their commitment towards making Manor a better place to live and work. Manor Development Company relies on the support it gets both from its staff and volunteers and from its partners in order to achieve its objectives.

**Structure, governance and management**

Manor Development Company was registered as a company limited by guarantee in 1992 and gained charitable status as of September 2009. The constitution is set out in its Memorandum and Articles of Association, which was amended in February 2009.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C M Dean
R S Foster
M Y Wilkinson (Resigned 20 July 2022)
C A Jenkinson
N Jowitt

The charity is registered with the Registrar of Charities, number 1131906. The constitution provides for a minimum of 3 nominated member trustees to be people who live or work in the geographical area of benefit, i.e. the Manor Estate, Sheffield.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

**Company Statement on the C-19 Pandemic**

As the C-19 has been brought under control both locally and nationally, we have systematically moved towards more normal, albeit C-19 secure, modes of working ...and this includes a steady return to our partnership work with local organisations, which was largely suspended during the worst of the pandemic...offering support to our community partners where possible, and helping them whenever our involvement is requested...and the premises mostly used by those providers are once again are available for use, now that restrictions have largely been lifted.

We are also very pleased to have been successful in supporting our small business client base by providing links to advice and funding to support new and starter businesses and their employees during the pandemic...many any of whom needed financial support from both the City Council and Government to get them through the initial lockdown period.

Our trading subsidiary Alison Business Centre has continued to operate as normal and we have been fortunate in that our centre is designed to ensure that each business can work independently on site. We have therefore not incurred many losses and where we have lost licensees these have been quickly replaced by new business looking for C-19 safe premises. We therefore do not forecast any adverse impact on our income as a result of the pandemic.

The company is the sole member of Manor Development Company (Alison Centre) Limited which is also limited by guarantee.

**Asset cover for funds**

It is a condition of the funding for Phase III that the Phase II buildings (currently included in the balance sheet of the company's wholly owned subsidiary Manor Development Company (Alison Centre) Limited) are transferred to this charity. The transfer has been subject to the delays caused by issues and land leases. MDC is working with its partners to complete this process.

**Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

R S Foster
Trustee
Dated: 15 December 2023

# MANOR DEVELOPMENT COMPANY LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

## FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of Manor Development Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED

## Opinion

We have audited the financial statements of Manor Development Company Limited (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet and 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its 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 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty relating to going concern

We have identified a matter of concern in our report because we have concerns that the charity may not be able to continue as a going concern. Disclosure has been made in note 1.2 to the accounts concerning the charity's ability to continue as a going concern. Whilst re-financing discussions are taking place, there is some doubt over whether the charity has sufficient working capital over the next 12 months. The charity has net current liabilities of £256,420. These conditions, along with the matters explained in note 1.2 to the accounts, indicate the existence of a material uncertainty which may cast significant doubt about the charity's ability to continue as a going concern. The accounts do not include the adjustments that would result if the charity was unable to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

**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 trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors and enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

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

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

**Use of our report**

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Michael Mealing (Senior Statutory Auditor)**
**for and on behalf of UHY Hacker Young** 15 December 2023

**Chartered Accountants**
**Statutory Auditor**

## MANOR DEVELOPMENT COMPANY LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

## FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | Total 2023 | Total 2022 |
|---|---|---|---|
| | | £ | £ |
| **Income from:** | | | |
| Donations and legacies | 3 | 15,600 | 15,600 |
| Charitable activities | 4 | 203,548 | 167,463 |
| Investments | 5 | 114,477 | 187,627 |
| **Total income** | | 333,625 | 370,690 |
| **Expenditure on:** | | | |
| Charitable activities | 6 | 261,482 | 230,912 |
| **Net income for the year/ Net movement in funds** | | 72,143 | 139,778 |
| Fund balances at 1 April 2022 | | 3,091,149 | 2,951,371 |
| **Fund balances at 31 March 2023** | | 3,163,292 | 3,091,149 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# MANOR DEVELOPMENT COMPANY LIMITED

## BALANCE SHEET

## AS AT 31 MARCH 2023

| | Notes | 2023 | | 2022 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Tangible assets | **12** | | 3,419,712 | | 3,457,032 |
| **Current assets** | | | | | |
| Debtors | **13** | 349,187 | | 279,548 | |
| Cash at bank and in hand | | 360,887 | | 315,448 | |
| | | 710,074 | | 594,996 | |
| **Creditors: amounts falling due within one year** | **14** | (966,494) | | (960,879) | |
| Net current liabilities | | | (256,420) | | (365,883) |
| **Total assets less current liabilities** | | | 3,163,292 | | 3,091,149 |
| **Income funds** | | | | | |
| Unrestricted funds | | | 3,163,292 | | 3,091,149 |
| | | | 3,163,292 | | 3,091,149 |

The financial statements were approved by the Trustees on 15 December 2023

R S Foster
**Trustee**

**Company registration number 02741421**

## 1 Accounting policies

### Charity information

Manor Development Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Alison Business Centre, 40 Alison Crescent, Manor, Sheffield, S2 1ASAlison Business Centre, 40 Alison Crescent, Manor, Sheffield, South Yorkshire, S2 1AS.

### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### 1.2 Going concern

The trustees consider the charity to be a going concern and the accounts are prepared on this basis. Sheffield City Council have provided a cash flow facility for the completion of the Phase III development. This facility is repayable to Sheffield City Council and discussions are on-going in respect of additional grant funding and loan finance from alternative funders to replace this facility.

The trustees are confident that funding will be obtained to replace Sheffield City Council's facility and they do however recognise that it will be a challenge to ensure the Phase III development is sustainable, bearing in mind the deprived nature of the area. However, all the stakeholders in the development have continued to work together to give it the best possible chance for success.

As such, the trustees consider the charity is a going concern and have prepared the accounts accordingly. In making that assessment, the trustees have also specifically considered the impact of the coronavirus on the operations of the charity, alongside actions taken to mitigate that impact.

### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

**1 Accounting policies** **(Continued)**

**1.4 Incoming resources**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable except as follows:

- when donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

- when donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, the income is included in incoming resources of restricted funds when receivable.

- incoming resources from managed workspace represents rents received and services provided to office units and workshop units net of VAT and trade discounts in the accounts of the group.

- in the accounts of the charitable company alone the income from expenses recharged represents costs borne on behalf of the subsidiary and recharged to the subsidiary.

Where the amount paid for the rental of the land used by the charity is below the commercial rate, a donation is included in income for the difference between the commercial rate and the amount actually paid by the group.

**1.5 Resources expended**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are included in the Statement of Financial Activities on an accruals basis and are recognised when there is a legal or constructive obligation to make a payment to a third party. All resources expended are classified under activity headings that aggregate all costs related to the category.

Charitable activities include activities undertaken to further the purposes of the charity.

Governance costs represent those costs of strategic management and of complying with statutory requirements.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

## 1 Accounting policies (Continued)

### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---|---|
| Freehold land is not depreciated | |
| Freehold property | 1% straight line |
| Leasehold property | 1% straight line |
| Fixtures and fittings | 15%/33% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Fixed assets costing less than £500 are not capitalised.

### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

## 1 Accounting policies (Continued)

### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

## 1 Accounting policies (Continued)

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### Critical judgements

**Donation of land**

The charity and its trading subsidiary company receive a donation for the land it operates from as the actual rental it pays for the land is below the commercial rate. To estimate this donation, the trustees need to make an assessment of what the commercial rent would be. This involves a review of evidence as to how commercial rates for the rent of land are calculated and then using this evidence to estimate a donation.

## 3 Donations and legacies

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Donated goods and services | 15,600 | 15,600 |

## 4 Charitable activities

| | Total 2023 | Total 2022 |
|---|---|---|
| | £ | £ |
| Sales within charitable activities | 200,108 | 164,023 |
| Charitable rental income | 3,440 | 3,440 |
| | 203,548 | 167,463 |

## 5 Investments

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Gift aid received from subsidiary company | 110,926 | 186,079 |
| Interest receivable | 3,551 | 1,548 |
| | 114,477 | 187,627 |

## 6 Charitable activities

| | Total 2023 | Total 2022 |
|---|---|---|
| | £ | £ |
| Staff costs | 191,549 | 152,231 |
| Depreciation and impairment | 39,717 | 39,466 |
| Angleton rooms | 3,760 | 3,572 |
| Rent and rates | 15,600 | 15,600 |
| Legal, professional and consultancy fees | 4,548 | 6,650 |
| Bank charges | 140 | 141 |
| General expenses | 1,809 | 31 |
| | 257,123 | 217,691 |
| Grant funding of activities (see note 7) | 1,959 | 11,221 |
| Share of governance costs (see note 8) | 2,400 | 2,000 |
| | 261,482 | 230,912 |

## 7 Grants payable

| | Total 2023 | Total 2022 |
|---|---|---|
| | £ | £ |
| Grants to institutions: | | |
| Matrec | 1,909 | 8,913 |
| My Life Project | - | 2,000 |
| Other | 50 | 308 |
| | 1,959 | 11,221 |

## 8 Support costs

| | Support costs | Governance costs | 2023 | Support costs | Governance costs | 2022 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| Audit fees | - | 2,400 | 2,400 | - | 2,000 | 2,000 |
| | - | 2,400 | 2,400 | - | 2,000 | 2,000 |
| Analysed between | | | | | | |
| Charitable activities | - | 2,400 | 2,400 | - | 2,000 | 2,000 |

Governance costs includes payments to the auditor of £2,400 for audit fees (2022 £2,000). Legal and professional fees include payments to the auditor of £2,750 (2022 £2,300) for other services.

## 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or any other benefits from employment with the charitable company or any other related entity during the year, and no trustee expenses have been incurred (2022: £nil).

## 10 Employees

**Number of employees**

The average monthly number of employees during the year was:

| | 2023 Number | 2022 Number |
|---|---|---|
| Trustees/directors | 4 | 5 |
| Management/administration/finance | 9 | 8 |
| | 13 | 13 |

| **Employment costs** | 2023 £ | 2022 £ |
|---|---|---|
| Wages and salaries | 176,163 | 141,987 |
| Social security costs | 7,019 | 4,793 |
| Other pension costs | 8,367 | 5,451 |
| | 191,549 | 152,231 |

There were no employees whose annual remuneration was £60,000 or more.

## 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxationof Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## 12 Tangible fixed assets

| | Leasehold land and buildings | Fixtures and fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 April 2022 | 3,934,505 | 80,057 | 4,014,562 |
| Additions | - | 2,399 | 2,399 |
| At 31 March 2023 | 3,934,505 | 82,456 | 4,016,961 |
| **Depreciation and impairment** | | | |
| At 1 April 2022 | 479,538 | 77,994 | 557,532 |
| Depreciation charged in the year | 39,322 | 395 | 39,717 |
| At 31 March 2023 | 518,860 | 78,389 | 597,249 |
| **Carrying amount** | | | |
| At 31 March 2023 | 3,415,645 | 4,067 | 3,419,712 |
| At 31 March 2022 | 3,454,969 | 2,063 | 3,457,032 |

The three phases of the Alison Centre are the development included within land and buildings. It is located in an area of significant deprivation, an area where the market has failed and an area that needs to be economically regenerated. The Alison Centre is part of the plan for economic regeneration.

The buildings have been professionally valued at a total of £1.8m during 2015. This is below the carrying value in the accounts of £3,415,645. The difference will be generated through the long term impacts of the development i.e. local job creation, as businesses move in and acting as a beacon for business development. It has changed the image of the area, making it more attractive for people to move in. Indeed this was the purpose of the public investment in the first place.

There is no formal lease in place between Sheffield City Council and Manor Development Company Limited in respect of two phases of the Alison Centre.

The matter is under negotiation and the trustees are under the opinion that a lease will be signed and therefore consider it appropriate to treat expenditure on the two phases as capital expenditure.

If a lease is not granted by Sheffield City Council then the capital expenditure on leasehold property may need to be written off.

## 13 Debtors

| Amounts falling due within one year: | 2023 £ | 2022 £ |
|---|---|---|
| Trade debtors | 3,850 | 2,802 |
| Amounts owed by subsidiary undertakings | 322,833 | 255,207 |
| Other debtors | 19,606 | 20,282 |
| Prepayments and accrued income | 2,898 | 1,257 |
| | 349,187 | 279,548 |

## 14 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|---|---|---|
| Other taxation and social security | 2,688 | 1,954 |
| Trade creditors | 184 | 2,259 |
| Other creditors | 953,505 | 949,976 |
| Accruals and deferred income | 10,117 | 6,690 |
| | 966,494 | 960,879 |

## 15 Financial commitments, guarantees and contingent liabilities

The Phase I development which is included in land and buildings of the charitable company at a cost of £720,575 was fully funded by Capital Grants received. Similarly the Phase III development which is included in land and buildings of the charitable company at a cost of £3,213,930 was also fully funded by Capital Grants received.

The grants become repayable in the event that services provided fail to comply with the terms of the Capital Grant funding agreements. The trustees consider that the risk of repayment is remote.

## 16 Related party transactions

**Remuneration of key management personnel**
The remuneration of key management personnel is as follows.

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Aggregate compensation | 53,923 | 53,168 |

Staff remuneration including all key management personnel was reviewed and agreed by Trustees.

The following factors were taken into consideration:
- market rates
- inflation
- affordability

During the year the charitable company operated a loan account with its trading subsidiary company, Manor Development Company (Alison Centre) Limited. At 1 April 2022 the amount owed to Manor Development Company (Alison Centre) Limited from the charitable company was £255,207. During the year wages recharges of £190,108 and licence fees of £10,000 were charged by Manor Development Company Limited to its subsidiary. The subsidiary also made a gift aid donation of £110,926 to Manor Development Company Limited. At 31 March 2023 the amount due to Manor Development Company Limited from its trading subsidiary was £322,833.

## 17 Subsidiaries

These financial statements are separate charity financial statements for Manor Development Company Limited. The financial statements present information about the charitable company as an individual undertaking and not as a group.

The charitable company has control of 100% of the assets and trade of Manor Development Company (Alison Centre) Limited (company number 03581273), a company limited by guarantee. Manor Development Company Limited are able to appoint and remove directors in this company and in 2009 it was resolved that Manor Development Company Limited was to be its only member. The cost of the investment in the subsidiary is £nil (2022: £nil). The subsidiary's activity is social enterprise. Its incoming resources for the year were £584,796 (2022: £529,352) and its total resources expended were £460,865 (2022: £370,131), leaving a profit for the year of £123,931 (2022: £159,221). The company made a gift aid donation to Manor Development Company Limited of £110,926 (2022: £186,079) during the year. At 31 March 2023 the capital and reserves of Manor Development Company (Alison Centre) Limited were £183,884 (2022: £170,879). The charitable company does not have a statutory obligation to prepare group accounts and so consolidated accounts have not been prepared.

**MANOR DEVELOPMENT COMPANY LIMITED**

England & Wales - Charity number 1131906

# Accounts

CHARITY REGISTRATION NUMBER 1131906

COMPANY REGISTRATION NUMBER 02741421

# MANOR DEVELOPMENT COMPANY LIMITED

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022

UHY Hacker Young
Chartered Accountants

# MANOR DEVELOPMENT COMPANY LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|---|---|---|
| **Trustees** | C M Dean | |
| | R S Foster | |
| | C A Jenkinson | (Appointed 5 May 2021) |
| | N Jowitt | (Appointed 5 May 2021) |
| **Secretary** | C M Dean | |
| **Chief Executive Officer** | R Dowling | |
| **Charity number** | 1131906 | |
| **Company number** | 02741421 | |
| **Registered office** | Alison Business Centre<br>40 Alison Crescent<br>Manor<br>Sheffield<br>South Yorkshire<br>S2 1AS | |
| **Auditor** | UHY Hacker Young<br>6 Broadfield Court<br>Broadfield Way<br>Sheffield<br>S8 0XF | |
| **Bankers** | Co-operative Bank plc<br>PO Box 250<br>Skelmersdale<br>WN8 6WT | |

# MANOR DEVELOPMENT COMPANY LIMITED

## CONTENTS


| | Page |
|---|---|
| Trustees' report | 1 - 6 |
| Statement of trustees' responsibilities | 7 |
| Independent auditor's report | 8 - 11 |
| Statement of financial activities | 12 |
| Balance sheet | 13 |
| Notes to the financial statements | 14 - 24 |

# MANOR DEVELOPMENT COMPANY LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
## FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

**Objectives and activities**

The charity's objects, as set out in the constitution, are the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation, and in particular the Manor Estate in the City of Sheffield area by the following means the:

- the relief of poverty
- the advancement of education
- the relief of unemployment
- the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances, have need of such facilities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and have paid due regard to the Charity Commission guidance on public benefit.

- Completing the sixth full year of operations within the Manor Works, achieving overall lettings of over 95% with individual monthly letting reaching almost 100% in some periods of the year.
- Maintaining our support for local businesses – especially start up companies – both through the availability of top-quality units in a locality where they are not readily available, and in particular by supporting and advising tenants in respect of C-19 recovery, and operating safely as normal business was gradually resumed.
- Beginning to re-open our high-quality meeting and conference space, and restarting support for training, recreational and other activities on a commercial basis, as well as hosting activities for local people as a key part of our "good neighbour" policy with respect to the Manor Estate.
- Effectively and safely managing a small but dynamic staff team, in a period which remains challenging, and continuing to do so profitably and in a way that will guarantee long-term sustainability for the community, the business and the staff
- Using a flexible approach to new and start up businesses, with an emphasis on supporting people planning to become self-employed, and in general increasing employment and training opportunities available in our area of interest. Increasing our range of services to new business that does not require a static base, but an ever changing and highly professional approach, through a range of business services that help in small business administration.
- Where appropriate, representing the interests of the local community, and seeking to give them an effective voice across a range of issues – wherever possible acting as a "good neighbour" to the people of the Manor - and providing advice to external bodies as required by the extraordinary circumstances prevailing throughout this year.

The company would as always like to formally thank those who have provided funding and continuing support, especially Sheffield City Council, as well as those who give freely throughout the year of their time and donations for the benefit of the area and the people who live and work in it.

It sends its thanks to all those who have supported its activities during the past year and special thanks to the partners, residents and volunteers who have played a vital role in developing its involvement locally and to local businesses who support and use the services on offer.

**Financial review**
The Statement of Financial Activities shows a net increase in funds of £139,778 (2021: £83,424). The charity has general unrestricted reserves of £3,091,149 compared to £2,951,371 the previous year.

We would like to thank all staff and partners for their commitment towards making Manor and Castle a better place to live and work. Manor Development Company relies on the support it gets both from its staff and volunteers and from its partners in order to achieve its objectives.

**Reserves Policy**

**Introduction**
This reserves policy has been developed as a part of the Trustees risk identification approach and is based on income streams for both MDC the Charity and its subsidiaries. Where this policy states MDC this term includes its subsidiaries.

**Definition**
The term reserves is that part of MDC's income that is freely available for its general purposes once it has met its commitments and covered its other planned expenditure. This is generally monies that have been generated through the sale of services etc through the charity's trading subsidiary.This excludes any monies received as restricted funds (e.g. where a funder has specified what the money must be spent on and therefore the Trustees do not have the power to spend the money on anything else).

**Policy**

**Unrestricted Funds**
Reserves are built/maintained at a level that ensures that 6-9 months of the organisations' current activity could continue during a period of unforeseen difficulty. At present this is estimated at or around £205-305k.
The amounts above include

- Working capital to ensure its business centre can continue to operate for a designated period of reduced/lost income
- To meet costs of securing and maintaining properties held by the charity in the event of closure
- Redundancy costs
- Legal and Accountancy Costs
- Expiry of leases on certain property, plant and office equipment
- Buildings and Statutory Compliance

**Achievements and performance**
**Manor Works .....**

... has enjoyed another successful year of commercial operation, with steady growth in both lettings and contribution to the success of the wider business. Its RIBA award-winning status has continued to attract some interest across Sheffield City and Region – and remains an engine for increased business and community activities within the Manor area, and has proved extremely suitable for use and in consequence popular in respect of safe operation as the C-19 pandemic started to recede.

Overall, our operating arm, Alison Business Centre, runs 33,500 square feet of commercial space, comprising seventy workshops and forty-four offices and split across three adjacent sites...and has routinely maintained 97% plus occupancy...with some periods when every single unit was let...and this gives us a very strong and robust commercial base from which to support our wider community ambitions and objectives.

All tenants benefit from full reception, post and ancillary services provided by the Company, and the training, meeting and atrium spaces are all available, and continuing to be used by the local community for a range of activities.

**Angleton Meeting Rooms**
Through the support of a local housing provider (Places for People) Angleton Meeting Rooms is partly financed and largely managed by Manor Development Company Ltd, with a view to facilitating positive activities in the neighbourhood. Inevitably, there was little activity at the height of the pandemic, but the Company did monitor the security of the facility, and ensure that it remained in good condition...and some community usage resumed towards the end of this reporting period.

**Other "good neighbour" activities**
Manor Development Company can and does continue to act as the voice for those living close to the facility, and for other key community organisations...in areas such as crime and vandalism and stands ready to work in partnership with other projects to support a range of indoor and outdoor social, educational and other activities whenever required, increasingly working from the new facilities at Manor Works. As an employer MDC continues to welcome applications from the local community.

As one of the oldest community-owned third sector organisations on the Manor Estate the Company continues to maintain links and work in cooperation with a network of local organisations – and has especially started to develop a robust partnership with colleagues at MATREC...which may result in our working in partnership with them over the forthcoming year to develop one of their two buildings, which is currently mothballed.

In addition we also engage with the Manor Assembly, Manor and Castle Development Trust, MASKK and the Manor Community Childcare Centre; to support key projects, especially those targeting local young people like, My Life Project and Shine; and to maintain links with service providers including Places for People, ACIS (the local RSL's), local government and local emergency services as well as the Community Youth Team ... who are long standing local licensees, with a base on site.

**Designated Funds**
The following areas cover the amounts of designated funds that MDC will use for particular purposes

- Building Renewals

MDC reserves the right to re-assign designated funds within its unrestricted funds.

**The Charity Objectives**
The trustees will ensure that it can support its commitment to its core aims by designating an amount annually to be used to support its community activity from any unrestricted funds held at that time. This amount will be agreed on at the year end, after a full review of the company's financial position.

**Review of Policy**
This policy will be reviewed annually in line with the company's financial status and will take account of any changes in circumstances of itself and its trading subsidiaries at this time.

The trustees has assessed the major risks to which the charity is exposed, including operational and business risks, and are satisfied that systems are in place to mitigate exposure to the major risks. It regularly reviews all its policies in order to ensure that they are relevant and effective.

**Plans for future periods**
In furtherance of its support to local employment and community participation, Manor Development Company Limited has now completed its strategic plan to build a new business and community resource centre, and has proved remarkably successful as C-19 recovery has got under way ...during which, and with our support, our licensee businesses have mostly survived, and often both grown and thrived...and demand for the spaces and services we offer has grown month-on-month...almost certainly because in current circumstances many smaller businesses greatly value having their own front door, and enjoying C-19 secure spaces where they can operate safely…

...and in the coming period, we will build on this experience commercially, embed our growing partnership with MATREC, and do our level best to contribute to C-19 recovery across the Manor Community...as well as dong what we can to support the local community and our tenant businesses to handle the turbulence which will inevitably follow the outbreak of hostilities in the Ukraine.

… and we would like to thank all staff and partners for their commitment towards making Manor a better place to live and work. Manor Development Company relies on the support it gets both from its staff and volunteers and from its partners in order to achieve its objectives.

**Structure, governance and management**
Manor Development Company was registered as a company limited by guarantee in 1992 and gained charitable status as of September 2009. The constitution is set out in its Memorandum and Articles of Association, which was amended in February 2009.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

| | |
|---|---|
| C M Dean | |
| R S Foster | |
| M Y Wilkinson | (Resigned 20 July 2022) |
| C A Jenkinson | (Appointed 5 May 2021) |
| N Jowitt | (Appointed 5 May 2021) |

The charity is registered with the Registrar of Charities, number 1131906. The constitution provides for a minimum of 3 nominated member trustees to be people who live or work in the geographical area of benefit, i.e. the Manor Estate, Sheffield.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

**Company Statement on the C-19 Pandemic**

As the C-19 has been brought under control both locally and nationally, we have systematically moved towards more normal, albeit C-19 secure, modes of working ...and this includes a steady return to our partnership work with local organisations, which was largely suspended during the worst of the pandemic...offering support to our community partners where possible, and helping them whenever our involvement is requested...and the premises mostly used by those providers are once again are available for use, now that restrictions have largely been lifted.

We are also very pleased to have been successful in supporting our small business client base by providing links to advice and funding to support new and starter businesses and their employees during the pandemic...many any of whom needed financial support from both the City Council and Government to get them through the initial lockdown period.

Our trading subsidiary Alison Business Centre has continued to operate as normal and we have been fortunate in that our centre is designed to ensure that each business can work independently on site. We have therefore not incurred many losses and where we have lost licensees these have been quickly replaced by new business looking for C-19 safe premises. We therefore do not forecast any adverse impact on our income as a result of the pandemic.

The company is the sole member of Manor Development Company (Alison Centre) Limited which is also limited by guarantee.

**Asset cover for funds**

It is a condition of the funding for Phase III that the Phase II buildings (currently included in the balance sheet of the company's wholly owned subsidiary Manor Development Company (Alison Centre) Limited) are transferred to this charity. The transfer has been subject to the delays caused by issues and land leases. MDC is working with its partners to complete this process.

**Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

**R S Foster**
Trustee
Dated: 15 December 2022

## MANOR DEVELOPMENT COMPANY LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES
## FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of Manor Development Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED

## Opinion

We have audited the financial statements of Manor Development Company Limited (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty relating to going concern

We have identified a matter of concern in our report because we have concerns that the charity may not be able to continue as a going concern. Disclosure has been made in note 1.2 to the accounts concerning the charity's ability to continue as a going concern. Whilst re-financing discussions are taking place, there is some doubt over whether the charity has sufficient working capital over the next 12 months. The charity has net current liabilities of £365,883. These conditions, along with the matters explained in note 1.2 to the accounts, indicate the existence of a material uncertainty which may cast significant doubt about the charity's ability to continue as a going concern. The accounts do not include the adjustments that would result if the charity was unable to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

**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 trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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 trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors and enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

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

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

**Use of our report**

This report is made solely to the charitable 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 charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Roland Givans (Senior Statutory Auditor)**
**for and on behalf of UHY Hacker Young** 15 December 2022

**Chartered Accountants**
**Statutory Auditor**

## MANOR DEVELOPMENT COMPANY LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

## FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | Total 2022 | Total 2021 |
|---|---|---|---|
| | | £ | £ |
| **Income from:** | | | |
| Donations and legacies | 3 | 15,600 | 27,329 |
| Charitable activities | 4 | 167,463 | 143,502 |
| Investments | 5 | 187,627 | 125,836 |
| **Total income** | | 370,690 | 296,667 |
| **Expenditure on:** | | | |
| Charitable activities | 6 | 230,912 | 213,243 |
| **Net income for the year/ Net movement in funds** | | 139,778 | 83,424 |
| Fund balances at 1 April 2021 | | 2,951,371 | 2,867,947 |
| **Fund balances at 31 March 2022** | | 3,091,149 | 2,951,371 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# MANOR DEVELOPMENT COMPANY LIMITED

## BALANCE SHEET

## AS AT 31 MARCH 2022

| | Notes | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 11 | | 3,457,032 | | 3,494,249 |
| **Current assets** | | | | | |
| Debtors | 12 | 279,548 | | 173,149 | |
| Cash at bank and in hand | | 315,448 | | 246,318 | |
| | | 594,996 | | 419,467 | |
| **Creditors: amounts falling due within one year** | 13 | (960,879) | | (962,345) | |
| Net current liabilities | | | (365,883) | | (542,878) |
| **Total assets less current liabilities** | | | 3,091,149 | | 2,951,371 |
| **Income funds** | | | | | |
| Unrestricted funds | | | 3,091,149 | | 2,951,371 |
| | | | 3,091,149 | | 2,951,371 |

The financial statements were approved by the Trustees on 15 December 2022

R S Foster
**Trustee**

**Company registration number 02741421**

## 1 Accounting policies

### Charity information

Manor Development Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Alison Business Centre, 40 Alison Crescent, Manor, Sheffield, S2 1ASAlison Business Centre, 40 Alison Crescent, Manor, Sheffield, South Yorkshire, S2 1AS.

### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### 1.2 Going concern

The trustees consider the charity to be a going concern and the accounts are prepared on this basis. Sheffield City Council have provided a cash flow facility for the completion of the Phase III development. This facility is repayable to Sheffield City Council and discussions are on-going in respect of additional grant funding and loan finance from alternative funders to replace this facility.

The trustees are confident that funding will be obtained to replace Sheffield City Council's facility and they do however recognise that it will be a challenge to ensure the Phase III development is sustainable, bearing in mind the deprived nature of the area. However, all the stakeholders in the development have continued to work together to give it the best possible chance for success.

As such, the trustees consider the charity is a going concern and have prepared the accounts accordingly. In making that assessment, the trustees have also specifically considered the impact of the coronavirus on the operations of the charity, alongside actions taken to mitigate that impact.

### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1 **Accounting policies** **(Continued)**

**1.4 Incoming resources**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable except as follows:

- when donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

- when donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, the income is included in incoming resources of restricted funds when receivable.

- incoming resources from managed workspace represents rents received and services provided to office units and workshop units net of VAT and trade discounts in the accounts of the group.

- in the accounts of the charitable company alone the income from expenses recharged represents costs borne on behalf of the subsidiary and recharged to the subsidiary.

Where the amount paid for the rental of the land used by the charity is below the commercial rate, a donation is included in income for the difference between the commercial rate and the amount actually paid by the group.

**1.5 Resources expended**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are included in the Statement of Financial Activities on an accruals basis and are recognised when there is a legal or constructive obligation to make a payment to a third party. All resources expended are classified under activity headings that aggregate all costs related to the category.

Charitable activities include activities undertaken to further the purposes of the charity.

Governance costs represent those costs of strategic management and of complying with statutory requirements.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1 **Accounting policies** **(Continued)**

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---|---|
| Freehold land is not depreciated | |
| Freehold property | 1% straight line |
| Leasehold property | 1% straight line |
| Fixtures and fittings | 15% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Fixed assets costing less than £500 are not capitalised.

**1.7 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies (Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1 **Accounting policies** **(Continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### Critical judgements

**Donation of land**

The charity and its trading subsidiary company receive a donation for the land it operates from as the actual rental it pays for the land is below the commercial rate. To estimate this donation, the trustees need to make an assessment of what the commercial rent would be. This involves a review of evidence as to how commercial rates for the rent of land are calculated and then using this evidence to estimate a donation.

## 3 Donations and legacies

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Coronavirus Job Retention Scheme | - | 11,729 |
| Donated goods and services | 15,600 | 15,600 |

## 4 Charitable activities

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Sales within charitable activities | 164,023 | 140,062 |
| Charitable rental income | 3,440 | 3,440 |
| | 167,463 | 143,502 |

## 5 Investments

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Gift aid received from subsidiary company | 186,079 | 123,282 |
| Interest receivable | 1,548 | 2,554 |
| | 187,627 | 125,836 |

## 6 Charitable activities

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Staff costs | 152,231 | 148,601 |
| Depreciation and impairment | 39,466 | 39,600 |
| Angleton rooms | 3,572 | 3,380 |
| Rent and rates | 15,600 | 15,600 |
| Legal, professional and consultancy fees | 6,650 | 2,500 |
| Bank charges | 141 | 138 |
| General expenses | 31 | 1,424 |
| | 217,691 | 211,243 |
| Grant funding of activities (see note 7) | 11,221 | - |
| Share of governance costs (see note 8) | 2,000 | 2,000 |
| | 230,912 | 213,243 |

## 7 Grants payable

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Grants to institutions (4 grants): | | |
| Matrec | 8,913 | - |
| My Life Project | 2,000 | - |
| Other | 308 | - |
| | 11,221 | - |

## 8 Support costs

| | Support costs | Governance costs | 2022 | Support costs | Governance costs | 2021 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| Audit fees | - | 2,000 | 2,000 | - | 2,000 | 2,000 |
| | - | 2,000 | 2,000 | - | 2,000 | 2,000 |
| Analysed between | | | | | | |
| Charitable activities | - | 2,000 | 2,000 | - | 2,000 | 2,000 |

Governance costs includes payments to the auditor of £2,000 for audit fees (2021- £2,000). Legal and professional fees include payments to the auditor of £2,300 (2021- £2,350) for other services.

## 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or any other benefits from employment with the charitable company or any other related entity during the year, and no trustee expenses have been incurred (2021: £nil).

## 10 Employees

**Number of employees**

The average monthly number of employees during the year was:

| | 2022 Number | 2021 Number |
|---|---|---|
| Trustees/directors | 5 | 3 |
| Management/administration/finance | 8 | 7 |
| | 13 | 10 |

| **Employment costs** | 2022 £ | 2021 £ |
|---|---|---|
| Wages and salaries | 141,987 | 138,033 |
| Social security costs | 4,793 | 5,540 |
| Other pension costs | 5,451 | 5,028 |
| | 152,231 | 148,601 |

There were no employees whose annual remuneration was £60,000 or more.

## 11 Tangible fixed assets

| | Leasehold land and buildings | Fixtures and fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 April 2021 | 3,934,505 | 77,807 | 4,012,312 |
| Additions | - | 2,250 | 2,250 |
| At 31 March 2022 | 3,934,505 | 80,057 | 4,014,562 |
| **Depreciation and impairment** | | | |
| At 1 April 2021 | 440,257 | 77,807 | 518,064 |
| Depreciation charged in the year | 39,279 | 187 | 39,466 |
| At 31 March 2022 | 479,536 | 77,994 | 557,530 |
| **Carrying amount** | | | |
| At 31 March 2022 | 3,454,969 | 2,063 | 3,457,032 |
| At 31 March 2021 | 3,494,249 | - | 3,494,249 |

The three phases of the Alison Centre are the development included within land and buildings. It is located in an area of significant deprivation, an area where the market has failed and an area that needs to be economically regenerated. The Alison Centre is part of the plan for economic regeneration.

The buildings have been professionally valued at a total of £1.8m during 2015. This is below the carrying value in the accounts of £3,454,969. The difference will be generated through the long term impacts of the development i.e. local job creation, as businesses move in and acting as a beacon for business development. It has changed the image of the area, making it more attractive for people to move in. Indeed this was the purpose of the public investment in the first place.

There is no formal lease in place between Sheffield City Council and Manor Development Company Limited in respect of two phases of the Alison Centre.

The matter is under negotiation and the trustees are under the opinion that a lease will be signed and therefore consider it appropriate to treat expenditure on the two phases as capital expenditure.

If a lease is not granted by Sheffield City Council then the capital expenditure on leasehold property may need to be written off.

## 12 Debtors

| Amounts falling due within one year: | 2022 £ | 2021 £ |
|---|---|---|
| Trade debtors | 2,802 | 2,800 |
| Amounts owed by subsidiary undertakings | 255,207 | 148,745 |
| Other debtors | 20,282 | 19,750 |
| Prepayments and accrued income | 1,257 | 1,854 |
| | 279,548 | 173,149 |

## 13 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|---|---|---|
| Other taxation and social security | 1,954 | 710 |
| Trade creditors | 2,259 | 694 |
| Other creditors | 949,976 | 950,366 |
| Accruals and deferred income | 6,690 | 10,575 |
| | 960,879 | 962,345 |

## 14 Financial commitments, guarantees and contingent liabilities

The Phase I development which is included in land and buildings of the charitable company at a cost of £720,575 was fully funded by Capital Grants received. Similarly the Phase III development which is included in land and buildings of the charitable company at a cost of £3,213,930 was also fully funded by Capital Grants received.

The grants become repayable in the event that services provided fail to comply with the terms of the Capital Grant funding agreements. The trustees consider that the risk of repayment is remote.

## 15 Related party transactions

**Remuneration of key management personnel**
The remuneration of key management personnel is as follows.

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Aggregate compensation | 53,168 | 51,516 |

Staff remuneration including all key management personnel was reviewed and agreed by Trustees.

The following factors were taken into consideration:
- market rates
- inflation
- affordability

During the year the charitable company operated a loan account with its trading subsidiary company, Manor Development Company (Alison Centre) Limited. At 1 April 2021 the amount owed to Manor Development Company (Alison Centre) Limited from the charitable company was £148,745. During the year wages recharges of £128,352 and licence fees of £10,000 were charged by Manor Development Company Limited to its subsidiary. The subsidiary also made a gift aid donation of £186,079 to Manor Development Company Limited. At 31 March 2022 the amount due to Manor Development Company Limited from its trading subsidiary was £255,207.

## 16 Subsidiaries

These financial statements are separate charity financial statements for Manor Development Company Limited. The financial statements present information about the charitable company as an individual undertaking and not as a group.

The charitable company has control of 100% of the assets and trade of Manor Development Company (Alison Centre) Limited (company number 03581273), a company limited by guarantee. Manor Development Company Limited are able to appoint and remove directors in this company and in 2009 it was resolved that Manor Development Company Limited was to be its only member. The cost of the investment in the subsidiary is £nil (2021: £nil). The subsidiary's activity is social enterprise. Its incoming resources for the year were £529,352 (2021: £468,682) and its total resources expended were £370,131 (2021: £324,346), leaving a profit for the year of £159,221 (2021: £144,336). The company made a gift aid donation to Manor Development Company Limited of £186,079 (2021: £123,282) during the year. At 31 March 2022 the capital and reserves of Manor Development Company (Alison Centre) Limited were £170,879 (2021: £197,737). The charitable company does not have a statutory obligation to prepare group accounts and so consolidated accounts have not been prepared.

**MANOR DEVELOPMENT COMPANY LIMITED**

England & Wales - Charity number 1131906

# Accounts

CHARITY REGISTRATION NUMBER 1131906

COMPANY REGISTRATION NUMBER 02741421

# MANOR DEVELOPMENT COMPANY LIMITED

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2021

UHY Hacker Young
Chartered Accountants

# MANOR DEVELOPMENT COMPANY LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|---|---|---|
| **Trustees** | C M Dean | |
| | R S Foster | |
| | M Y Wilkinson | |
| | C A Jenkinson | (Appointed 5 May 2021) |
| | N Jowitt | (Appointed 5 May 2021) |
| **Secretary** | C M Dean | |
| **Chief Executive Officer** | R Dowling | |
| **Charity number** | 1131906 | |
| **Company number** | 02741421 | |
| **Registered office** | Alison Business Centre<br>40 Alison Crescent<br>Manor<br>Sheffield<br>South Yorkshire<br>S2 1AS | |
| **Auditor** | UHY Hacker Young<br>6 Broadfield Court<br>Broadfield Way<br>Sheffield<br>S8 0XF | |
| **Bankers** | Co-operative Bank plc<br>PO Box 250<br>Skelmersdale<br>WN8 6WT | |

# MANOR DEVELOPMENT COMPANY LIMITED

## CONTENTS


| | Page |
|---|---|
| Trustees' report | 1 - 6 |
| Statement of trustees' responsibilities | 7 |
| Independent auditor's report | 8 - 11 |
| Statement of financial activities | 12 |
| Balance sheet | 13 |
| Notes to the financial statements | 14 - 24 |

# MANOR DEVELOPMENT COMPANY LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
## FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

**Objectives and activities**
The charity's objects, as set out in the constitution, are the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation, and in particular the Manor Estate in the City of Sheffield area by the following means the:

- the relief of poverty
- the advancement of education
- the relief of unemployment
- the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances, have need of such facilities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and have paid due regard to the Charity Commission guidance on public benefit.

- Completing the fifth full year of operations within the Manor Works, achieving overall lettings of over 90% with individual monthly letting reaching over 95% in some periods of the year.
- Maintaining our support for local businesses – especially start up companies – both through the availability of top-quality units in a locality where they are not readily available, and in particular by supporting and advising tenants in respect of C-19 response, and operating safely in current challenging circumstances.
- Keeping available a dedicated high-quality meeting and conference space able to host training, recreational and other activities on a commercial basis, or to host activities for local people as a key part of our "good neighbour" policy with respect to the Manor Estate, which will be brought back into use as soon as the public health situation allows.
- Effectively and safely managing a small but dynamic staff team, in an especially challenging period, and continuing to do so profitably and in a way that will guarantee long-term sustainability for the community, the business and the staff
- Using a flexible approach to new and start up businesses, with an emphasis on supporting people planning to become self-employed, and in general increasing employment and training opportunities available in our area of interest. Increasing our range of services to new business that does not require a static base, but an ever changing and highly professional approach, through a range of business services that help in small business administration.
- Where appropriate, representing the interests of the local community, and seeking to give them an effective voice across a range of issues – wherever possible acting as a "good neighbour" to the people of the Manor - and providing advice to external bodies as required by the extraordinary circumstances prevailing throughout this year.

**Achievements and performance**
**Manor Works .....**

... has enjoyed another successful year of commercial operation, with steady growth in both lettings and contribution to the success of the wider business. Its RIBA award-winning status has continued to attract some interest across Sheffield City and Region – and remains an engine for increased business and community activities within the Manor area, and has proved extremely suitable for use and in consequence popular in respect of safe operation in C-19 conditions.

As previously reported, Manor Works extended the available workspace at the centre, providing a further 16,790 square feet of space including 10,240 square feet of individual offices and workshops, set within a stylish atrium suitable for informal business activities and with formal meeting rooms and a hot desk facility also available – and these additional facilities are seeing increased use year by year, and have made a step change to the overall "feel" of the business elements of the overall task within Manor.

All tenants benefit from full reception, post and ancillary services provided by the Company, and the training, meeting and atrium spaces are all available, and continuing to be used by the local community for a range of activities.

**Angleton Meeting Rooms**
Through the support of a local housing provider (Places for People) Angleton Meeting Rooms is partly financed and largely managed by Manor Development Company Ltd, with a view to facilitating positive activities in the neighbourhood. Inevitably, there has been very little activity in the course of this year, but the Company has monitored the security of the facility, and ensured that it remains in good condition and will be available for use as soon as this becomes possible.

**Other "good neighbour" activities**
MDC has continued to "speak for the area" to the best extent it can within the very constrained circumstances imposed by C-19. Manor Development Company can and does act as the voice for those living close to the facility in areas such as crime and vandalism and stands ready to work in partnership with other projects to support a range of indoor and outdoor social, educational and other activities whenever required, increasingly working from the new facilities at Manor Works. As an employer MDC continues to welcome applications from the local community.

As one of the oldest community-owned third sector organisations on the Manor Estate the Company continues to maintain links and work in cooperation with a network of local organisations – and has especially started to develop a robust partnership with colleagues at MATREC.

In addition we also engage with Manor Assembly, Manor and Castle Development Trust, MASKK and the Manor Community Childcare Centre; to support key projects, especially those targeting local young people like, My Life Project and Shine; and to maintain links with service providers including Places for People, ACIS (the local RSL's), local government and local emergency services as well as the Community Youth Team ... who are long standing local licensees, with a base on site.

The company would as always like to formally thank those who have provided funding and continuing support, especially Sheffield City Council, as well as those who give freely throughout the year of their time and donations for the benefit of the area and the people who live and work in it.

It sends its thanks to all those who have supported its activities during the past year and special thanks to the partners, residents and volunteers who have played a vital role in developing its involvement locally and to local businesses who support and use the services on offer.

**Financial review**
The Statement of Financial Activities shows a net increase in funds of £83,424 (2020: £66,794). The charity has general unrestricted reserves of £2,951,371 compared to £2,867,947 the previous year.

We would like to thank all staff and partners for their commitment towards making Manor and Castle a better place to live and work. Manor Development Company relies on the support it gets both from its staff and volunteers and from its partners in order to achieve its objectives.

**Reserves Policy**

**Introduction**
This reserves policy has been developed as a part of the Trustees risk identification approach and is based on income streams for both MDC the Charity and its subsidiaries. Where this policy states MDC this term includes its subsidiaries.

**Definition**
The term reserves is that part of MDC's income that is freely available for its general purposes once it has met its commitments and covered its other planned expenditure. This is generally monies that have been generated through the sale of services etc through the charity's trading subsidiary.This excludes any monies received as restricted funds (e.g. where a funder has specified what the money must be spent on and therefore the Trustees do not have the power to spend the money on anything else).

**Policy**

**Unrestricted Funds**
Reserves are built/maintained at a level that ensures that 6-9 months of the organisations' current activity could continue during a period of unforeseen difficulty. At present this is estimated at or around £205-305k.
The amounts above include

- Working capital to ensure its business centre can continue to operate for a designated period of reduced/lost income
- To meet costs of securing and maintaining properties held by the charity in the event of closure
- Redundancy costs
- Legal and Accountancy Costs
- Expiry of leases on certain property, plant and office equipment
- Buildings and Statutory Compliance

**Designated Funds**
The following areas cover the amounts of designated funds that MDC will use for particular purposes

- Building Renewals

MDC reserves the right to re-assign designated funds within its unrestricted funds.

**The Charity Objectives**
The trustees will ensure that it can support its commitment to its core aims by designating an amount annually to be used to support its community activity from any unrestricted funds held at that time. This amount to be agreed after review of the company's financial position on or around its financial year end.

**Review of Policy**
This policy will be reviewed annually in line with the company's financial status and will take account of any changes in circumstances of itself and its trading subsidiaries at this time.

The trustees has assessed the major risks to which the charity is exposed, including operational and business risks, and are satisfied that systems are in place to mitigate exposure to the major risks. It regularly reviews all its policies in order to ensure that they are relevant and effective.

**Plans for future periods**
In furtherance of its support to local employment and community participation, Manor Development Company Limited has now completed its strategic plan to build a new business and community resource centre, and this has proved remarkably successful in "weathering the C-19 storm"...during which, and with our support, our licensee businesses have mostly survived, and often both grown and thrived...and demand for the spaces and services we offer has grown month-on-month...almost certainly because in current circumstances many smaller businesses greatly value having their own front door, and enjoying C-19 secure spaces where they can operate safely…
...and in the coming period, we will build on this experience commercially, embed our growing partnership with MATREC, and do our level best to contribute to C-19 recovery across the Manor Community...

… and we would like to thank all staff and partners for their commitment towards making Manor a better place to live and work. Manor Development Company relies on the support it gets both from its staff and volunteers and from its partners in order to achieve its objectives.

**Structure, governance and management**
Manor Development Company was registered as a company limited by guarantee in 1992 and gained charitable status as of September 2009. The constitution is set out in its Memorandum and Articles of Association, which was amended in February 2009.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

| | |
|---|---|
| C M Dean | |
| R S Foster | |
| M Y Wilkinson | |
| C A Jenkinson | (Appointed 5 May 2021) |
| N Jowitt | (Appointed 5 May 2021) |

The charity is registered with the Registrar of Charities, number 1131906. The constitution provides for a minimum of 3 nominated member trustees to be people who live or work in the geographical area of benefit, i.e. the Manor Estate, Sheffield.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

**Company Statement on the C-19 Pandemic**

When the country was hit by Covid 19 and National Lockdown was imposed MDC Ltd advised all staff to either work from home or to self isolate as per individual needs. Any staff who were required to attend work were put on work rota systems to ensure maximum safeguarding. We kept in contact with staff either through social media, emails or one to one telephone calls. Staff were able to discuss any issues and get relevant advice while working from home or on furlough.

Covid 19 risk assessments of all communal and MDC Ltd working areas were carried out immediately and relevant procedures put in place to safeguard all users of the site. These were and are reviewed periodically to take account of changing circumstances.

To minimise risk all meeting room provision to our partners and client base has been suspended and where feasible online meetings have been instigated. The Trustees continue to monitor activities and regular online meetings have been set up to ensure up to date information is provided and the decision making process is active.

Although a majority of the partnership work we are involved in with local organisations has been suspended, we continue to offer support to our community partners where possible and will continue to help whenever our support is requested. We are maintaining premises normally used by our community partner providers to ensure they are available for use once restrictions have been lifted.

We have been successful in supporting our small business client base by providing links to advice and funding to support new and starter businesses and their employees during the pandemic. Many of whom needed the financial support available to get them through the initial lockdown period.
Our trading subsidiary Alison Business Centre has continued to operate as normal and we have been fortunate in that our centre is designed to ensure that each business can work independently on site. We have therefore not incurred many losses and where we have lost licensees these have been quickly replaced by new business looking for Covid 19 safe premises. We therefore do not forecast any adverse impact on our income as a result of the pandemic.

The company is the sole member of Manor Development Company (Alison Centre) Limited which is also limited by guarantee.

**Asset cover for funds**
It is a condition of the funding for Phase III that the Phase II buildings (currently included in the balance sheet of the company's wholly owned subsidiary Manor Development Company (Alison Centre) Limited) are transferred to this charity. The transfer has been subject to the delays caused by issues and land leases. MDC is working with its partners to complete this process.

**Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

**R S Foster**
Trustee
Dated: 15 December 2021

## MANOR DEVELOPMENT COMPANY LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

## FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Manor Development Company Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

UHY Hacker Young
Chartered Accountants

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED

## Opinion

We have audited the financial statements of Manor Development Company Limited (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet 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 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty relating to going concern

We have identified a matter of concern in our report because we have concerns that the charity may not be able to continue as a going concern. Disclosure has been made in note 1.2 to the accounts concerning the charity's ability to continue as a going concern. Whilst re-financing discussions are taking place, there is some doubt over whether the charity has sufficient working capital over the next 12 months. The charity has net current liabilities of £542,878. These conditions, along with the matters explained in note 1.2 to the accounts, indicate the existence of a material uncertainty which may cast significant doubt about the charity's ability to continue as a going concern. The accounts do not include the adjustments that would result if the charity was unable to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

**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 trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR DEVELOPMENT COMPANY LIMITED CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors and enquiries of management in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

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

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

**Use of our report**

This report is made solely to the charitable 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 charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Roland Givans (Senior Statutory Auditor)**
**for and on behalf of UHY Hacker Young** 15 December 2021

**Chartered Accountants**
**Statutory Auditor**

## MANOR DEVELOPMENT COMPANY LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

## FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | Total 2021 | Total 2020 |
|---|---|---|---|
| | | £ | £ |
| **Income from:** | | | |
| Donations and legacies | 3 | 27,329 | 1,000 |
| Charitable activities | 4 | 143,502 | 148,641 |
| Investments | 5 | 125,836 | 108,370 |
| Other income | 6 | - | 346 |
| **Total income** | | 296,667 | 258,357 |
| **Expenditure on:** | | | |
| Charitable activities | 7 | 213,243 | 191,563 |
| **Net income for the year/ Net movement in funds** | | 83,424 | 66,794 |
| Fund balances at 1 April 2020 | | 2,867,947 | 2,801,153 |
| **Fund balances at 31 March 2021** | | 2,951,371 | 2,867,947 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# MANOR DEVELOPMENT COMPANY LIMITED

## BALANCE SHEET

## AS AT 31 MARCH 2021

| | Notes | 2021 | | 2020 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Tangible assets | **11** | | 3,494,249 | | 3,533,849 |
| **Current assets** | | | | | |
| Debtors | **12** | 173,149 | | 123,569 | |
| Cash at bank and in hand | | 246,318 | | 162,673 | |
| | | 419,467 | | 286,242 | |
| **Creditors: amounts falling due within one year** | **13** | (962,345) | | (952,144) | |
| Net current liabilities | | | (542,878) | | (665,902) |
| **Total assets less current liabilities** | | | 2,951,371 | | 2,867,947 |
| **Income funds** | | | | | |
| Unrestricted funds | | | 2,951,371 | | 2,867,947 |
| | | | 2,951,371 | | 2,867,947 |

The financial statements were approved by the Trustees on 15 December 2021

R S Foster
**Trustee**

**Company Registration No. 02741421**

## 1 Accounting policies

### Charity information

Manor Development Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Alison Business Centre, 40 Alison Crescent, Manor, Sheffield, S2 1ASAlison Business Centre, 40 Alison Crescent, Manor, Sheffield, South Yorkshire, S2 1AS.

### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### 1.2 Going concern

The trustees consider the charity to be a going concern and the accounts are prepared on this basis. Sheffield City Council have provided a cash flow facility for the completion of the Phase III development. This facility is repayable to Sheffield City Council and discussions are on-going in respect of additional grant funding and loan finance from alternative funders to replace this facility.

The trustees are confident that funding will be obtained to replace Sheffield City Council's facility and they do however recognise that it will be a challenge to ensure the Phase III development is sustainable, bearing in mind the deprived nature of the area. However, all the stakeholders in the development have continued to work together to give it the best possible chance for success.

As such, the trustees consider the charity is a going concern and have prepared the accounts accordingly. In making that assessment, the trustees have also specifically considered the impact of the coronavirus on the operations of the charity, alongside actions taken to mitigate that impact.

### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

**1 Accounting policies** **(Continued)**

**1.4 Incoming resources**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable except as follows:

- when donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

- when donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, the income is included in incoming resources of restricted funds when receivable.

- incoming resources from managed workspace represents rents received and services provided to office units and workshop units net of VAT and trade discounts in the accounts of the group.

- in the accounts of the charitable company alone the income from expenses recharged represents costs borne on behalf of the subsidiary and recharged to the subsidiary.

Where the amount paid for the rental of the land used by the charity is below the commercial rate, a donation is included in income for the difference between the commercial rate and the amount actually paid by the group.

**1.5 Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis and are recognised when there is a legal or constructive obligation to make a payment to a third party. All resources expended are classified under activity headings that aggregate all costs related to the category.

Charitable activities include activities undertaken to further the purposes of the charity.

Governance costs represent those costs of strategic management and of complying with statutory requirements.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1 **Accounting policies** **(Continued)**

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---|---|
| Freehold land is not depreciated | |
| Freehold property | 1% straight line |
| Leasehold property | 1% straight line |
| Fixtures and fittings | 15% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Fixed assets costing less than £500 are not capitalised.

**1.7 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1 Accounting policies** **(Continued)**

**1.9 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**1 Accounting policies** **(Continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### Critical judgements

**Donation of land**

The charity and its trading subsidiary company receive a donation for the land it operates from as the actual rental it pays for the land is below the commercial rate. To estimate this donation, the trustees need to make an assessment of what the commercial rent would be. This involves a review of evidence as to how commercial rates for the rent of land are calculated and then using this evidence to estimate a donation.

## 3 Donations and legacies

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Donations and gifts | - | 1,000 |
| Coronavirus Job Retention Scheme | 11,729 | - |
| Donated goods and services | 15,600 | - |
| | 27,329 | 1,000 |

## 4 Charitable activities

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Sales within charitable activities | 140,062 | 145,201 |
| Charitable rental income | 3,440 | 3,440 |
| | 143,502 | 148,641 |

## 5 Investments

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Gift aid received from subsidiary company | 123,282 | 105,311 |
| Interest receivable | 2,554 | 3,059 |
| | 125,836 | 108,370 |

## 6 Other income

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Other income | - | 346 |

## 7 Charitable activities

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Staff costs | 148,601 | 138,169 |
| Depreciation and impairment | 39,600 | 40,189 |
| Angleton rooms | 3,380 | 4,272 |
| Rent and rates | 15,600 | 1,878 |
| Legal, professional and consultancy fees | 2,500 | 3,312 |
| Bank charges | 138 | 146 |
| General expenses | 1,424 | 1,597 |
| | 211,243 | 189,563 |
| Share of governance costs (see note 8) | 2,000 | 2,000 |
| | 213,243 | 191,563 |

## 8 Support costs

| | Support costs | Governance costs | 2021 | Support costs | Governance costs | 2020 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| Audit fees | - | 2,000 | 2,000 | - | 2,000 | 2,000 |
| | - | 2,000 | 2,000 | - | 2,000 | 2,000 |
| Analysed between | | | | | | |
| Charitable activities | - | 2,000 | 2,000 | - | 2,000 | 2,000 |

Governance costs includes payments to the auditor of £2,000 for audit fees (2020- £2,000). Legal and professional fees include payments to the auditor of £2,300 (2020- £2,350) for other services.

## 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or any other benefits from employment with the charitable company or any other related entity during the year, and no trustee expenses have been incurred (2020: £nil).

## 10 Employees

**Number of employees**

The average monthly number of employees during the year was:

| | 2021 Number | 2020 Number |
|---|---|---|
| Trustees/directors | 3 | 3 |
| Management/administration/finance | 7 | 7 |
| | 10 | 10 |

**Employment costs**

| | 2021 £ | 2020 £ |
|---|---|---|
| Wages and salaries | 138,033 | 127,689 |
| Social security costs | 5,540 | 5,719 |
| Other pension costs | 5,028 | 4,761 |
| | 148,601 | 138,169 |

There were no employees whose annual remuneration was £60,000 or more.

## 11 Tangible fixed assets

| | Leasehold land and buildings | Fixtures and fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 April 2020 | 3,934,506 | 77,807 | 4,012,313 |
| At 31 March 2021 | 3,934,506 | 77,807 | 4,012,313 |
| **Depreciation and impairment** | | | |
| At 1 April 2020 | 400,935 | 77,529 | 478,464 |
| Depreciation charged in the year | 39,322 | 278 | 39,600 |
| At 31 March 2021 | 440,257 | 77,807 | 518,064 |
| **Carrying amount** | | | |
| At 31 March 2021 | 3,494,249 | - | 3,494,249 |
| At 31 March 2020 | 3,533,571 | 278 | 3,533,849 |

The three phases of the Alison Centre are the development included within land and buildings. It is located in an area of significant deprivation, an area where the market has failed and an area that needs to be economically regenerated. The Alison Centre is part of the plan for economic regeneration.

The buildings have been professionally valued at a total of £1.8m during 2015. This is below the carrying value in the accounts of £3,494,249. The difference will be generated through the long term impacts of the development i.e. local job creation, as businesses move in and acting as a beacon for business development. It has changed the image of the area, making it more attractive for people to move in. Indeed this was the purpose of the public investment in the first place.

There is no formal lease in place between Sheffield City Council and Manor Development Company Limited in respect of two phases of the Alison Centre.

The matter is under negotiation and the trustees are under the opinion that a lease will be signed and therefore consider it appropriate to treat expenditure on the two phases as capital expenditure.

If a lease is not granted by Sheffield City Council then the capital expenditure on leasehold property may need to be written off.

## 12 Debtors

| Amounts falling due within one year: | 2021 £ | 2020 £ |
|---|---|---|
| Trade debtors | 2,800 | 2,799 |
| Amounts owed by subsidiary undertakings | 148,745 | 99,377 |
| Other debtors | 19,750 | 19,402 |
| Prepayments and accrued income | 1,854 | 1,991 |
| | 173,149 | 123,569 |

## 13 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|---|---|---|
| Other taxation and social security | 710 | 2,211 |
| Trade creditors | 694 | 327 |
| Other creditors | 950,366 | 945,306 |
| Accruals and deferred income | 10,575 | 4,300 |
| | 962,345 | 952,144 |

## 14 Financial commitments, guarantees and contingent liabilities

The Phase I development which is included in land and buildings of the charitable company at a cost of £720,575 was fully funded by Capital Grants received. Similarly the Phase III development which is included in land and buildings of the charitable company at a cost of £3,213,930 was also fully funded by Capital Grants received.

The grants become repayable in the event that services provided fail to comply with the terms of the Capital Grant funding agreements. The trustees consider that the risk of repayment is remote.

## 15 Related party transactions

**Remuneration of key management personnel**
The remuneration of key management personnel is as follows.

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Aggregate compensation | 51,516 | 56,226 |

Staff remuneration including all key management personnel was reviewed and agreed by Trustees.

The following factors were taken into consideration:
- market rates
- inflation
- affordability

During the year the charitable company operated a loan account with its trading subsidiary company, Manor Development Company (Alison Centre) Limited. At 1 April 2020 the amount owed to Manor Development Company (Alison Centre) Limited from the charitable company was £99,377. During the year wages recharges of £117,172 and licence fees of £10,000 were charged by Manor Development Company Limited to its subsidiary. The subsidiary also made a gift aid donation of £123,282 to Manor Development Company Limited. At 31 March 2021 the amount due to Manor Development Company Limited from its trading subsidiary was £148,745.

## 16 Subsidiaries

These financial statements are separate charity financial statements for Manor Development Company Limited. The financial statements present information about the charitable company as an individual undertaking and not as a group.

The charitable company has control of 100% of the assets and trade of Manor Development Company (Alison Centre) Limited (company number 03581273), a company limited by guarantee. Manor Development Company Limited are able to appoint and remove directors in this company and in 2009 it was resolved that Manor Development Company Limited was to be its only member. The cost of the investment in the subsidiary is £nil (2020: £nil). The subsidiary's activity is social enterprise. Its incoming resources for the year were £468,682 (2020: £476,531) and its total resources expended were £324,346 (2020: £348,309), leaving a profit for the year of £144,336 (2020: £128,222). The company made a gift aid donation to Manor Development Company Limited of £123,282 (2020: £105,311) during the year. At 31 March 2021 the capital and reserves of Manor Development Company (Alison Centre) Limited were £197,737 (2020: £176,683). The charitable company does not have a statutory obligation to prepare group accounts and so consolidated accounts have not been prepared.