



**MANOR ESTATES HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

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

MANOR ESTATES HOUSING ASSOCIATION LIMITED

BOARD, EXECUTIVES AND ADVISERS

Board	Ian Crawford (Chair) Phil Rowsby (Vice Chair) Andrew Clark Geoff Kitchener Willie Raeburn Roddy Elliott Laura Fordyce Jo McFadyen Ainan Groat Shirelle White Zoe Purdie (C-opted 27 May 2026) Erin Mullen (Co-opted 27 May 2026)
Chief Executive	Claire Ironside
Secretary	Claire Ironside
Registered office	Suite 4, 5 New Mart Place Edinburgh EH14 1RW
Independent auditor	CT Audit Limited 61 Dublin Street Edinburgh EH3 6NL
Bankers	Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2AD
Solicitors	TC Young Melrose House 69 George Street Edinburgh EH2 2JG
Financial Conduct Authority No.	2484R(S)
Registered with the Scottish Housing Regulator:	HEP 284
Scottish Charity Number:	SC 023106

MANOR ESTATES HOUSING ASSOCIATION LIMITED

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MANOR ESTATES HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2026

The members of the Board have pleasure in presenting their report on the Association for the year ended 31 March 2026.

Principal Activities

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

Membership of Board

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

	Board Attendance	Audit Committee Attendance
Ian Crawford (Chair)	88%	
Phil Rowsby (Vice Chair)	100%	
Rachel Hutton (resigned September 2025)	100%	100%
Andrew Clark	100%	100%
Geoff Kitchener	88%	
Willie Raeburn	88%	100%
Roddy Elliott	100%	100%
Laura Fordyce	88%	80%
Jo McFadyen	100%	33%
Ainan Groat	88%	
Martin Sloan (co-opted in June, appointed 3 rd September 2025, resigned on 29 September 2025)	100%	
Shirelle White (co-opted in June, appointed 3 rd September 2025)	83%	

Business review

Introduction:

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

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

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

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

Business Activities

During 2025/26 the Association continued its major programme of expenditure on managing and maintaining its properties. The Association's subsidiary company, Manor Estates Associates Limited (MEA Limited)

MANOR ESTATES HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (continued) FOR THE YEAR ENDED 31 MARCH 2026

Business Activities (continued)

continued trading, undertaking a range of complementary activities.

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

MEHA shares a Welfare Advice Officer with Muirhouse Housing association from Community Help and Advice Initiative (CHAI). During 2025/26 a total of £363,796 of additional income was attained for 151 of our tenants. MEHA has also been working in partnership with ARCHIE (Alliance of Registered Co-operatives and Housing Associations, Independent in Edinburgh) members to provide an Energy Advice Service. The project supported 87 tenants with energy related issues and achieved £24,790 of financial benefits.

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

MEHA also provided support to tenants using £22,062 from its Tenancy Sustainment Fund to assist 51 tenants with money for essential household items e.g. carpets, flooring, beds and white goods. This included £1,000 loaded to Charis Shop for new home items and £4,000 added to Gateway Plus Fund for supporting new tenants moving into our homes. Through the fund we were able to support tenants with access to Tenants Rewards Scheme, Anti-Social behaviour reporting App and assisted two tenants with downsizing through an incentive scheme payment of £500 each.

In addition, we received funding for £21,342 through the Scottish Government "Get Settled" Fund. A pilot project to support applicants as part of the "Ask & Act" proactive homeless prevention duty that was introduced as part of the Housing (Scotland) Act 2025. Using these funds, we provided £9,000 to Gateway Plus for new home items including furniture such as beds and sofas along with the white goods. The remaining fund was used to provide carpets to support tenants to move quickly from temporary accommodation.

The Association completed its second phase of its development in South Queensferry in December 2025 for 10 terraced family homes and at the end of March 2026 a further 15-, one- and two-bedroom flats.

The Association continues to spend significant sums of money each year maintaining and improving its properties, work identified in our regularly reviewed asset management plan. A programme is in place to address minor issues in meeting the SHQS and we continue to seek cooperation to undertake works in our mixed tenure stock.

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

Manor Estates is a member of ARCHIE with a view to sharing experience, services and knowledge to enhance services to tenants and the communities within which the organisation operates. The Association remains committed to providing high quality services to all our tenants.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (continued) FOR THE YEAR ENDED 31 MARCH 2026

Board:

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

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

Principal Risks & Uncertainties

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

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

The principal risks facing the Association are:

- Operating environment uncertainty
- Service failure of a principal contractor
- Cyber security breach
- Health & safety compliance failure
- Reputational damage
- Major damage to a property and /or office
- Deterioration of the condition of our Estates
- Stock Condition and
- Fire Safety Regulations

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

Staff

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

The Association continues to engage with Investors in People (IIP) and has Gold accreditation (March 2025). It remains the objective of the Association to ensure all of its employees are engaged, developed and resourced to meet the challenges of providing quality services to our tenants and customers.

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

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

MANOR ESTATES HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (continued) FOR THE YEAR ENDED 31 MARCH 2026

Financial Review

Income and Expenditure Reserve

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

Surplus for the year

The results for the Association are shown in the Statement of Comprehensive Income on page 13. The surplus for the Association is £1,349,239 (2025 - £1,139,977). The surplus resulted in an increase in reserves to £25,249,647 (2025 - £23,807,426).

Statement of the Board's Responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on internal financial control.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 2024. The Board is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Information for the Auditor

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

Treasury Management Policy

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

Rent Policy

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

Internal Financial Control

The Board is responsible for ensuring that the Association has an appropriate system of internal financial

MANOR ESTATES HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (continued) FOR THE YEAR ENDED 31 MARCH 2026

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

Audit Committee

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

Internal Audit

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

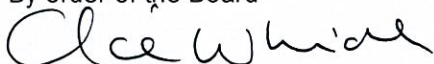
Consolidation exemption

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

Auditor

A resolution to appoint the auditor will be presented at the Annual General Meeting.

By order of the Board



Claire Ironside
Secretary

Date: 24 June 2026

MANOR ESTATES HOUSING ASSOCIATION LIMITED

Statement of the Board's Responsibilities in respect of Internal Financial Control

The Board acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

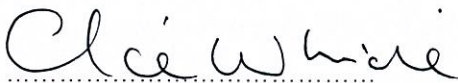
- the reliability of financial information used within the Association, or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

It is the Board's responsibility to establish and maintain the systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the on-going documentation of key systems and rules in relation to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the governing body to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Management;
- the Audit Committee/Board received reports from management and from external and internal auditors, to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2026. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

By order of the Board



Claire Ironside
Secretary

Dated:
24 June 2026

MANOR ESTATES HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR ESTATES HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026

Opinion

We have audited the financial statements of Manor Estates Housing Association (the 'Association') for the year ended 31 March 2026 which comprise the statement of comprehensive income, statement of financial position, statement of changes in reserves, 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 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 Association's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR ESTATES HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2026**

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 7, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association 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.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Association operates in and how the Association is complying with the legal and regulatory frameworks;
- inquired of management and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANOR ESTATES HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026

As a result of these procedures, we consider that the most significant laws and regulations that have a direct impact on the financial statements were, but not limited to, FRS 102, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements 2024, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland Act) 2010. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures against the requirements of the relevant financial reporting standards.

We also performed audit procedures to inquire of management, and those charged with governance whether the Association is in compliance with these laws and regulations, inspected correspondence with regulatory authorities including mandatory submissions to the Regulator, reviewed minutes of meetings of the Board of Management and relevant sub-committees, and reviewed available online information.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

CT Audit

CT Audit Limited

Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Date 6 July 2026

MANOR ESTATES HOUSING ASSOCIATION LIMITED

**INDEPENDENT AUDITOR'S REPORT ON CORPORATE GOVERNANCE MATTERS TO THE MEMBERS
OF MANOR ESTATES HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2026**

In addition to our audit of the Financial Statements, we have reviewed your statement on Page 9 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Management Committee and Officers of the Association and examination of relevant documents. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 9 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

CT Audit

CT Audit Limited

Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

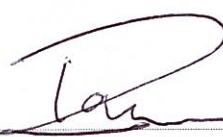
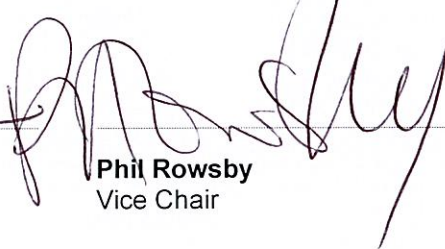
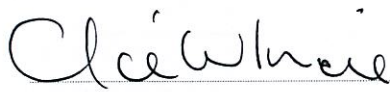
Date 6 July 2026

MANOR ESTATES HOUSING ASSOCIATION LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026**

	Notes	2026 £	2025 £
Turnover	4	8,221,221	7,804,557
Operating expenditure	4	(6,316,419)	(5,913,117)
Operating surplus	4	1,904,802	1,891,440
Interest receivable	10	13,631	33,630
Interest and financing costs	10	(593,311)	(785,093)
Gift aid from subsidiary	23	24,117	-
Surplus before tax		1,349,239	1,139,977
Tax	11	-	-
Surplus for the year		1,349,239	1,139,977
Other comprehensive income			
Actuarial gain in respect of pension scheme	22	93,000	98,000
Total comprehensive income for year		1,442,239	1,237,977

All activities relate to continuing operations.

 Ian Crawford Chair	 Phil Rowsby Vice Chair	 Claire Ironside Secretary
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The notes on pages 18 to 37 form part of these financial statements.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2026**

	Share Capital £	Income & Expenditure Reserve £	Total Unrestricted Funds £
Balance at 1 April 2025	91	23,807,335	23,807,426
Total comprehensive income		1,442,239	1,442,239
New shares issued	2	-	2
Shares cancelled	(20)	-	(20)
Balance at 31 March 2026	73	25,249,574	25,249,647

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

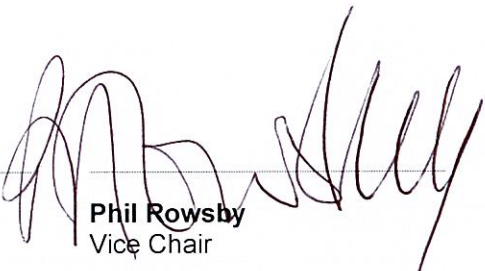
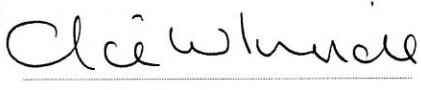
The notes on pages 18 to 37 form part of these financial statements.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Notes	2026	2025
Fixed assets			
Tangible fixed assets:			
Housing properties	12a	47,669,950	44,939,178
Other fixed assets	12b	1,118,099	1,144,610
Investments	13	100	100
		<u>48,788,149</u>	<u>46,083,888</u>
Current assets			
Debtors	14	458,242	965,090
Cash and cash equivalents	15a	1,165,770	651,820
		<u>1,624,012</u>	<u>1,616,910</u>
Creditors: amounts falling due within one year	16	(1,982,534)	(2,032,263)
Net current liabilities		<u>(358,522)</u>	<u>(415,353)</u>
Total assets less current liabilities		<u>48,429,627</u>	<u>45,668,535</u>
Creditors: amounts falling due after more than one year	17	(22,629,980)	(21,254,109)
Pension – defined benefit liability	22	(550,000)	(607,000)
Total net assets		<u>25,249,647</u>	<u>23,807,426</u>
Reserves			
Share capital	18	73	91
Income and expenditure reserve		<u>25,249,574</u>	<u>23,807,335</u>
Total reserves		<u>25,249,647</u>	<u>23,807,426</u>

The financial statements were approved by the Board on 24 June 2026 and were signed on its behalf by:

		
Ian Crawford Chair	Phil Rowsby Vice Chair	Claire Ironside Secretary

The notes on pages 18 to 37 form part of these financial statements.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 £	2025 £
Net cash generated from operating activities	19	3,252,367	1,023,312
Cash flow from investing activities			
Purchase of tangible fixed assets		(4,024,208)	(2,414,345)
Grants received		1,217,975	1,311,264
Grants repaid		-	-
Gift aid		24,117	-
Interest received		13,631	33,630
Share capital cancelled		(20)	-
		<u>483,862</u>	<u>(46,139)</u>
Cash flow from financing activities			
Interest paid		(593,311)	(785,093)
New secured loans		-	9,000,000
Repayment of borrowings		(626,603)	(10,303,203)
RCF drawdowns		1,250,000	-
Share capital issued		2	2
		<u>30,088</u>	<u>(2,088,294)</u>
Net change in cash and cash equivalents		<u>513,950</u>	<u>(2,134,433)</u>
Cash and cash equivalents at beginning of year		<u>651,820</u>	<u>2,786,253</u>
Cash and cash equivalents at end of year		<u><u>1,165,770</u></u>	<u><u>651,820</u></u>

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

Analysis of changes in net debt

	At 1 April 2025 £	Cash flows £	Other non- cash changes £	At 31 March 2026 £
Cash and cash equivalents				
Cash	651,820	513,950		1,165,770
Cash equivalents	-	-	-	-
	<u>651,820</u>	<u>513,950</u>		<u>1,165,770</u>
Borrowings				
Debt due within one year	626,603	(626,603)	626,603	626,603
Debt due after one year	8,278,819	623,398	-	8,902,217
Total	<u>8,905,422</u>	<u>3,205</u>	<u>626,603</u>	<u>9,528,820</u>

MANOR ESTATES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. General information

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Housing Requirements 2024 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018. The principal accounting policies are set out below.

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

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

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

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

2. Principal accounting policies

Basis of accounting

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

Going concern

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

Turnover

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2. Principal accounting policies (continued)

Leasing

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

Grant income

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

Bad and doubtful debts

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

Interest receivable

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

Interest payable

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

Tangible fixed assets - Housing properties

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

- (i) Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life is replaced or restored; or
- (ii) Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2. Principal accounting policies (continued)

Depreciation

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

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

Other fixed assets

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

Office Property	4%	(25 years)
Leasehold improvements	20%	(5 years)
Office furniture and equipment	10%	(10 years)
Computer equipment	25%	(4 years)

Mid-Market Rent properties:

Floor Coverings	10%	(10 years)
Appliances	20%	(5 years)

Social Rent properties:

Floor Coverings	10%	(10 years)
Appliances	20%	(5 years)

Impairment

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

Housing Association Grant and other capital grants

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

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

Financial instruments

(Debtors and creditors receivable/payable within one year)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2. Principal accounting policies (continued)

Financial instruments (continued)

(Loans and borrowings)

Bank loans provided by Private Lenders are classed as basic under the requirements of FRS 102 and are therefore measured at amortised cost.

(Payment arrangements with tenants)

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

Cash and cash equivalents

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

Debtors

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

Creditors

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

Pension costs

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

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

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

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

Value Added Tax

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

3. Judgement in applying policies and key sources of uncertainty

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

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

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

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

Estimate

Basis of estimation

Valuation of housing properties

Housing Properties are held at deemed cost which is based on existing use valuations at the date of transition to FRS 102 of 1 April 2014.

Useful lives of property, plant and equipment

The useful lives of property, plant and equipment are based on the knowledge of senior management, with reference to expected asset life cycles.

The main components of housing properties and their useful lives

The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on expected asset life cycles.

Recoverable amount of rental and other trade receivables

Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.

The obligations under the SHAPs pension scheme

This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate. Additionally, the impact of Guaranteed Minimum Pension (GMP) equalisation has been included in the SHAPS defined benefit liability.

Impairment of debtors

The Association makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considered factors including the ageing profile of debtors and historical experience. See note 14 for carrying amount of debtors.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

4. Particulars of turnover, operating costs and operating surplus

	Notes	Turnover £	Operating costs £	Operating Surplus 2026 £	Operatin Surplu 202
Affordable letting activities	5	6,928,487	5,627,083	1,301,404	1,333,058
Other activities	6	1,292,734	689,336	603,398	560,781
Pension re-measurement debit					(2,399)
					—
Total		8,221,221	6,316,419	1,904,802	1,891,440
2025		7,804,557	5,913,117	1,891,440	

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

	General Needs Social Housing £	Retirement Housing Accommodation £	Total 2026 £	Total 2025 £
Income from rent and service charges				
Rent receivable net of service charges	5,573,264	808,879	6,382,143	6,124,294
Service charges	49,069	210,973	260,042	249,420
Gross income from rents & service charge	5,622,333	1,019,852	6,642,185	6,373,714
<u>Less: Voids</u>	<u>(32,754)</u>	<u>(16,042)</u>	<u>(48,796)</u>	<u>(35,045)</u>
Net income from rents & service charge	5,589,579	1,003,810	6,593,389	6,338,669
Grants released from deferred income	335,098	0	335,098	272,198
Total turnover from affordable letting activities	5,924,677	1,003,810	6,928,487	6,610,867

MANOR ESTATES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

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

	General Needs Social Housing £	Retirement Housing Accommodation £	Total 2026 £	Total 2025 £
Expenditure				
Management & maintenance administration costs	1,966,018	286,432	2,252,450	2,084,604
Service costs	45,588	142,607	188,195	180,473
Planned & cyclical maintenance including major repair costs	595,126	157,523	752,649	709,465
Reactive maintenance costs	1,187,890	171,066	1,358,956	1,207,777
Bad debts (rents and service charges)	17,647	2,542	20,189	22,444
Depreciation of affordable let properties	956,907	97,737	1,054,644	1,073,046
Operating expenditure for affordable letting properties	4,769,176	857,907	5,627,083	5,277,809
Operating surplus for affordable letting properties, 2026	1,149,270	145,906	1,301,404	1,333,058
2025	1,141,969	191,089	1,333,058	

MANOR ESTATES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

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

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total turnover £	Operating costs bad debts £	Other operating costs £	Operating surplus or (deficit) 2026 £	Operating surplus or (deficit) 2025 £
Wider Role Activities									
Factoring	27,571	-	-	-	27,571	-	49,165	(21,594)	(25,000)
Other activities*	-	-	-	452,810	452,810	12,765	345,669	94,376	63,850
Medical adaptations	-	-	-	750,061	750,061	-	219,815	530,246	522,499
	62,292	-	-	-	62,292	-	61,922	370	(568)
Total from other activities	89,863			1,202,871	1,292,734	12,765	676,571	603,398	560,781
Total 2025	58,306	-	-	1,135,384	1,193,690	6,407	626,502	560,781	

Note: Other activity headings as noted in The Scottish Housing Regulator's Determination of Accounting Requirements 2024 do not apply. *Other activities include £580,895 (2025 - £574,767) in respect of the leasing of the Mid Market Rent properties to Manor Estates Associates Ltd.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

7. Surplus for the year

	2026 £	2025 £
Surplus for the year is stated after		
Auditor's remuneration (including Value Added Tax):		
for external audit services	22,800	21,120
for taxation services	1,950	1,212
	<u>24,750</u>	<u>22,332</u>

8. Emoluments and interests of key management personnel

The Board and senior staff, including the Chief Executive, Depute Chief Executive/Corporate Services Director, Property Services Director, and Housing Management Services Director, are defined as the key management personnel within the Association. No emoluments were paid to any member of the Board during the year.

	2026 £	2025 £
The emoluments of key management personnel were as follows:		
Salary	284,303	249,537
Pension contributions	29,612	32,808
Social security costs	36,802	29,311
	<u>350,717</u>	<u>311,656</u>

The emoluments of the Chief Executive were as follows:

	2026 £	2025 £
Salary	64,004	63,959
Pension contributions	44,311	40,239
	<u>108,315</u>	<u>104,198</u>

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

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

	2026 £	2025 £
£60,001 to £70,000	2	2
£80,001 to £90,000	1	-
	<u>3</u>	<u>2</u>

Expenses payable to the Board amounted to £2,107 (2025 - £1,666).

MANOR ESTATES HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

9. Employee information

	2026	2025
	£	£
Staff costs during the year were as follows		
Salaries	1,268,085	1,127,217
Social Security costs	137,993	114,581
Pension costs (note 22) - current contributions	307,959	296,833
- expenses	10,633	10,024
Costs of recruitment	15,585	2,460
	1,740,255	1,551,115

The average number of persons (full time equivalents) employed by the Association during the year was as follows:

	2026	2025
	£	£
Housing management	21	22
Administration	8	8
	29	30

10. Interest

	2026	2025
	£	£
Interest receivable	13,631	33,630
Interest payable on bank loans	538,023	734,234
Finance cost of setting up loans	19,200	17,859
Defined benefit pension liability – interest charge (Note 22)	36,000	33,000
TPT Growth Plan – interest charge (note 22)	88	-
	593,311	785,093

11. Tax on surplus on ordinary activities

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

MANOR ESTATES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

12. Tangible fixed assets				
(a) Housing properties:	Housing Properties under development	Housing properties held for letting	Mid-market rent properties	Total
		£	£	£
Cost				
At 1 April 2025	1,391,049	44,673,629	11,516,853	57,581,531
<i>Additions/transfers during year:</i>				
Property	2,988,781	-	-	2,988,781
Components		942,864	-	942,864
Transfers	(4,379,830)	4,379,830	-	-
<i>Disposals during year:</i>				
Components	-	(175,641)	-	(175,641)
At 31 March 2026	-	49,820,682	11,516,853	61,337,535
Depreciation				
At 1 April 2025	-	11,434,193	1,208,160	12,642,353
Charge for the year	-	1,054,644	146,229	1,200,873
Disposals during year:	-			-
Property	-	-	-	-
Components	-	(175,641)	-	(175,641)
At 31 March 2026	-	12,313,196	1,354,389	13,667,585
Net book value				
At 31 March 2026	-	37,507,486	10,162,464	47,669,950
At 31 March 2025	1,391,049	33,239,436	10,308,693	44,939,178
Housing units:	MMR No	Mainstream No	Retirement No	Total No
At 1 April 2025	95	873	143	1,111
At 31 March 2026	95	898	143	1,136

Additions to Housing Properties during the year include no capitalised interest (2025 - £nil) and no capitalised administration costs (2025 - £nil). Components with a cost of £175,641 (2025 - £182,367) and accumulated depreciation of £175,641 (2025 - £182,367) have been disposed of in the year for net proceeds of £nil (2025 - £ nil).

Included in freehold housing properties is land with a historic cost allocation of £19,866,435 (2025: £18,082,209).

MANOR ESTATES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 2026

12. Tangible fixed assets
(continued)

(b) Other fixed assets:

	Office Property	Office & IT Equipment	MMR and social furnishings	Total
	£	£	£	£
Cost				
At 1 April 2025	1,090,418	489,850	286,120	1,866,388
Additions	-	33,889	58,674	92,563
Disposals	-	(8,166)	(17,383)	(25,549)
At 31 March 2026	1,090,418	515,573	327,411	1,933,402
Depreciation				
At 1 April 2025	130,673	382,047	209,058	721,778
Provided in year	43,617	50,929	24,528	119,074
Disposals	-	(8,166)	(17,383)	(25,549)
At 31 March 2026	174,290	424,810	216,203	815,303
Net book value 31 March 2026	916,128	90,763	111,208	1,118,099
Net book value 31 March 2025	959,745	107,803	77,062	1,144,610

13. Investments

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

	2026 £	2025 £
At 1 April 2025 and 31 March 2026 100 ordinary shares of £1 each	100	100

The subsidiary has net assets, capital and reserves of £100 at 31 March 2026.

MANOR ESTATES HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

14. Debtors	2026 £	2025 £
Rent arrears	168,963	178,836
Doubtful debt provision	(99,928)	(110,900)
	69,035	67,936
Other debtors	217,092	640,240
Prepayments	36,415	102,014
Finance costs (note 17)	135,700	154,900
	458,242	965,090
15 Cash and cash equivalents	2026 £	2025 £
Balances held in current account	1,165,770	651,820
16. Creditors: amounts falling due within one year	2026 £	2025 £
Trade creditors	203,266	388,248
Other creditors	41,144	31,715
Social Security and other taxes	28,497	26,428
Prepayments of rent & service charges	198,323	183,774
Accruals and deferred income	468,755	425,906
Loan interest currently due	2,302	-
Subsidiary Company (note 23)	41,290	24,907
Bank loan repayable within one year (note 17)	626,603	626,603
SHAPS deficit repayment plan (note 22)	815	815
Deferred capital grant (note 21)	371,539	323,867
	1,982,534	2,032,263

Pension amounts outstanding at the year-end were £884 (2025: £nil).

MANOR ESTATES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

17. Creditors: amounts falling due after one year

	2026 £	2025 £
Bank loan	8,902,217	8,278,819
Deferred Housing Association Grant (note 21)	13,727,020	12,973,820
SHAPS deficit repayment plan	743	1,470
	<u>22,629,980</u>	<u>21,254,109</u>

During 2024/25 the Santander loan was repaid and replaced with a loan facility from the Royal Bank of Scotland. The facility consists of a loan of £9m and a rolling credit facility (RCF) of £4m. Shortly after the refinancing, 61% of the loan (£5.49m) was fixed at 5.626% and is repayable over the next ten years. The balance of £3.51m is variable and repayable over 15 years.

The average rate of interest paid in the year is 5.78% (2025 – 6.71%).

The net book value of housing properties secured at the year-end was £3,691,969 (2025 - £3,733,278).

We are continuing to pay off the loan of £266,030 from the Energy Savings Trust. This is repayable over 10 years at 0% interest rate from May 2017.

Loans are repayable as follows:

	2026 £	2025 £
Within one year	626,603	626,603
Between one and two years	602,217	626,603
Between two and five years	1,800,000	1,802,216
After five years	6,500,000	5,850,000
	<u>9,528,820</u>	<u>8,905,422</u>
Less: amount shown in current liabilities	(626,603)	(626,603)
	<u>8,902,217</u>	<u>8,278,819</u>

MANOR ESTATES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

18. Share capital

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

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

	2026 £	2025 £
Surplus for the year	1,349,239	1,139,977
Depreciation charges	1,319,947	1,325,956
Decrease / (increase) in debtors	506,848	(627,516)
Increase in creditors	(62,127)	(1,212,365)
Adjustments for investing or financing activities:		
Housing Association Grant used in year	(417,103)	(354,203)
Interest and financing costs	593,311	785,093
Interest receivable	(13,631)	(33,630)
Gift Aid	(24,117)	-
Net cash flow from operating activities	<u>3,252,367</u>	<u>1,023,312</u>

20. Capital commitments

	2026 £	2025 £
Capital expenditure that has been contracted for but not been provided for in the financial statements	<u>457,248</u>	<u>2,990,357</u>

MANOR ESTATES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

21. Deferred capital grants

	2026 £	2025 £
Summary of HAG movement in the year:-		
Deferred capital grants at 1 April	13,297,687	12,340,626
Grants received in the year	1,217,975	1,311,264
Grants released in the year	(417,103)	(354,203)
	<u>14,098,559</u>	<u>13,297,687</u>
Due to be released < 1 year	371,539	323,867
Due to be released > 1 Year	13,727,020	12,973,820
	<u>14,098,559</u>	<u>13,297,687</u>

22. Pension scheme

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**22. Pension scheme (continued)**

Full judgement in the Verity Trustees v Wood court case is still awaited. Should the Court decide that historic benefit changes need to be applied differently, then some member benefits would need to be increased, which would increase the value placed on Scheme liabilities. No allowance has been made for potential additional liabilities within the estimate made, although this will be addressed if required by the potential extension of the Recovery Plan referenced above.

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

	31 March 2026 £'000	31 March 2025 £'000
Fair value of plan assets	4,424	4,360
Present value of defined benefit obligation	(4,974)	(4,967)
Defined benefit liability to be recognised	(550)	(607)

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Defined benefit obligation at start of period	(4,967)	(5,497)
Current service cost	-	-
Expenses	(9)	(9)
Interest expense	(285)	(265)
Actuarial (losses) due to scheme experience	73	(58)
Actuarial gains/(losses) due to changes in demographic assumptions	(51)	-
Actuarial gains due to changes in financial assumptions	66	666
Benefits paid and expenses	199	196
Defined benefit liability at the end of the period	(4,974)	(4,967)

MANOR ESTATES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

22. Pension scheme (continued)

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

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Fair value of plan assets at start of the period	4,360	4,825
Interest income	249	232
Experience on plan assets (excluding amounts included in interest income) - gain	5	(510)
Contributions by the employer	9	9
Benefits paid and expenses	(199)	(196)
Fair value of plan assets at end of period	4,424	4,360

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Current service cost	-	-
Admin expenses	9	9
Net interest expense	36	33
Defined benefit costs recognised in Statement of Comprehensive Income	45	42

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Experience on plan assets (excluding amounts included in net interest cost – (loss))	5	(510)
Experience gains and losses arising on the plan liabilities – (loss)	73	(58)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/	(51)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	66	666
Total amount recognised in other comprehensive income –gain/(loss)	93	98

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

22. Pension scheme (continued)

(ii) Pension Trust's Growth Plan

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

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

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

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

Deficit contributions

From 1 April 2025 to 31 March 2028:

£2,100,000 per annum (payable monthly)

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

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

	2026	2025
Current service cost	-	-
Rate of discount - % per annum	<u>4.92</u>	<u>4.84</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

22. Pension scheme (continued)

(iii) Employer Debt on Withdrawal

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

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

The Association has been notified by the Pensions Trust of the estimated employer debt on the withdrawal from the relevant schemes based on the financial position of the schemes as at 30 September 2025. As of this date the total estimated employer debt for the Association is £1.2m for both schemes.

23. Related Party Transactions

Management and administration services are provided to Manor Estates Associates Limited (the subsidiary company). These costs amounted to £16,076 in the year (2025 - £17,901). In addition, management charges of £60,000 (2025 - £65,291) and lease costs of £580,895 (2025 - £574,767) have been incurred by Manor Estates Associates Limited in relation to the MMR properties.

Manor Estates Associates Limited agreed a gift aid distribution of £24,117 (2025 - £ nil) to the Association. The balance owed by Manor Estates Housing Association to Manor Estates Associations Limited at 31 March 2026 is: £41,290

Subsidiary Company (creditor)

The balance owed to Manor Estates Associates Limited as at 31 March 2025 was: £24,907

There is a proposal to receive a distribution in the form of a gift aid payment £48,783 (2025 – £24,117) next year from Manor Estates Associates Limited.

24. Tenant Board Members

During the year, one tenant continued their membership of the Board (2025 – one). The Board member has a standard tenancy agreement and was awarded their tenancy in line with best practice allocations policy. Rent charged to the tenant Board Member during the year was £6,120 (2025 - £5,904) and the net balance outstanding from the tenant Board Member as at 31 March 2026 was £nil (2025 - £nil).

