

COMPANY REGISTRATION NUMBER: SC291056

**Ore Valley Enterprises Limited**  
**Financial Statements**  
For the year ended  
31 March 2023



# **Ore Valley Enterprises Limited**

## **Financial Statements**

**Year ended 31 March 2023**

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# **Ore Valley Enterprises Limited**

## **Officers and Professional Advisers**

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### **The Board of Directors**

N R Clark  
A R McDaniel  
J Flynn

### **Company Secretary**

N R Clark

### **Registered Office**

114/116 Station Road  
Cardenden  
Fife  
KY5 0BW

### **Auditor**

Bird Simpson & Co  
Chartered accountants & statutory auditor  
144 Nethergate  
Dundee  
DD1 4EB

### **Solicitors**

TC Young  
7 West George Street  
Glasgow  
G2 1BA

# Ore Valley Enterprises Limited

## Strategic Report

Year ended 31 March 2023

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The directors present their strategic report of the company for the year ended 31 March 2023.

### REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

The company's objective during the year continued to be the bedding in of management arrangements for the completed mid-market rental housing developments at Rosewell Drive in Lochore, Cloanden Place in Kirkcaldy, Town House Lochgelly, Seafar Drive in Kelty and Quality Street in Dysart. Mid-market rental tenancies are provided on an ethical basis, adopting the same values as those developed by Ore Valley Housing Association, the charitable parent company. The projects are aimed at addressing housing needs as well as contributing to the physical and economic regeneration of communities.

During 2022/23 Ore Valley Enterprise Ltd. managed 76 properties, let to tenants on a mid-market rental basis. This was the fourth full year of having leases with all 5 developments and was the fifth year in a row in which the company made a profit.

This report presents a fair review of the business of the company including an analysis of its development and performance during the year. This is consistent with the size and complexity of the business.

### Key performance indicators

The two main key performance indicators for the company are void rentals and rent arrears which are monitored on a monthly basis.

### Development and financial performance during the year

The profit for the year, after taxation, amounted to £18,668 (2022: £17,816).

### Financial position at the reporting date

The balance sheet shows the Company's net liabilities at the year end are £49,756 (2022: £68,423).

### PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

The principal risk for the company is the demand for mid-market rental properties in the region, and the ability of the tenants to pay their rent. The directors understand the risks involved in the business and continually monitor these risks and the impact on the company.

This report was approved by the board of directors on 10 August 2023 and signed on behalf of the board by:



N R Clark  
Director

# **Ore Valley Enterprises Limited**

## **Directors' Report**

**Year ended 31 March 2023**

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

### **Principal activities**

The principal activity was that of rental of mid-market properties.

### **Directors**

The directors who served the company during the year were as follows:

A W W Saunders (resigned 30 June 2023)  
A R McDaniel  
G Smith (resigned 20 September 2022)  
J Flynn  
N R Clark

### **Dividends**

The directors do not recommend the payment of a dividend.

### **Disclosure of information in the strategic report**

The strategic report is set out on page 2.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

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

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

# Ore Valley Enterprises Limited

## Directors' Report *(continued)*

Year ended 31 March 2023

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### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 10 August 2023 and signed on behalf of the board by:



N R Clark  
Director

# Ore Valley Enterprises Limited

## Independent Auditor's Report to the Members of Ore Valley Enterprises Limited Year ended 31 March 2023

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### Opinion

We have audited the financial statements of Ore Valley Enterprises Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors 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 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 the audit:

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

# Ore Valley Enterprises Limited

## Independent Auditor's Report to the Members of Ore Valley Enterprises Limited Year ended 31 March 2023

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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.

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

- *we identified the laws and regulations applicable to the company through discussion with directors and management and we deem these to be standard company laws and regulations which have a direct effect upon the financial statements (Companies Acts, FRS 102 and UK corporation tax laws) as well as those that have an indirect effect via the operations of the company (health & safety regulations, environmental regulations, and GDPR); and*
- the engagement partner ensured that the engagement team were aware of this and collectively had appropriate competence, capabilities and skills to recognize non-compliance with applicable laws and regulations over the course of their audit work;

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

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



# **Ore Valley Enterprises Limited**

## **Independent Auditor's Report to the Members of Ore Valley Enterprises Limited**

### **Year ended 31 March 2023**

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

- performed a full comparison of the annual results to identify any unusual or unexpected amounts;
- tested journal entries to identify any unusual transactions;
- considered whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions where found; and
- reviewed the ledgers for any related party transactions.

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

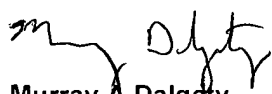
- review of financial statements and agreement of disclosures to underlying supporting documentation;
- discussion with management over any actual or potential litigation or claims against the company;
- reviewing correspondence with relevant regulators and legal advisors where any potential non-compliance exists, including any ongoing matters with HMRC; and
- discussions with management detailing high level review of the activities of the year, and investigation of any matters that would impact upon the financial statements.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentions concealment, forgery, collusion or misrepresentation.

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

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Murray A Dalgety**  
**Senior Statutory Auditor**

**For and on behalf of Bird Simpson & Co**  
**Bird Simpson & Co**  
**Chartered Accountants**  
**Statutory Auditor**

15<sup>th</sup> August 2023

144 Nethergate  
Dundee  
DD1 4EB

**Ore Valley Enterprises Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 March 2023**

	Note	2023 £	2022 £
<b>Turnover</b>	<b>4</b>	<b>395,124</b>	380,533
<b>Gross profit</b>		<u><b>395,124</b></u>	<u>380,533</u>
Administrative expenses		<u><b>374,482</b></u>	<u>360,616</u>
<b>Operating profit</b>	<b>5</b>	<u><b>20,642</b></u>	<u>19,917</u>
Interest payable and similar expenses	<b>7</b>	<u><b>1,974</b></u>	<u>2,101</u>
<b>Profit before taxation</b>		<u><b>18,668</b></u>	<u>17,816</u>
Tax on profit	<b>8</b>	<u><b>—</b></u>	<u>—</u>
<b>Profit for the financial year and total comprehensive income</b>		<u><u><b>18,668</b></u></u>	<u><u>17,816</u></u>
<b>Retained losses at the start of the year</b>		<u><b>(68,424)</b></u>	<u>(86,240)</u>
<b>Retained losses at the end of the year</b>		<u><u><b>(49,756)</b></u></u>	<u><u>(68,424)</u></u>

All the activities of the company are from continuing operations.

# Ore Valley Enterprises Limited

## Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
<b>Current assets</b>			
Debtors	9	18,101	27,542
Cash at bank and in hand		49,290	61,348
		<u>67,391</u>	<u>88,890</u>
<b>Creditors: amounts falling due within one year</b>	10	117,146	157,313
<b>Net current liabilities</b>		<u>49,755</u>	<u>68,423</u>
<b>Total assets less current liabilities</b>		<u>(49,755)</u>	<u>(68,423)</u>
<b>Net liabilities</b>		<u>(49,755)</u>	<u>(68,423)</u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss account	12	(49,756)	(68,424)
<b>Shareholders deficit</b>		<u>(49,755)</u>	<u>(68,423)</u>

These financial statements were approved by the board of directors and authorised for issue on 10 August 2023, and are signed on behalf of the board by:



N R Clark  
Director

Company registration number: SC291056

# Ore Valley Enterprises Limited

## Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	18,668	17,816
<i>Adjustments for:</i>		
Interest payable and similar expenses	1,974	2,101
Accrued income	-	(5,379)
<i>Changes in:</i>		
Trade and other debtors	9,441	(7,388)
Trade and other creditors	(20,626)	27,605
Cash generated from operations	9,457	34,755
Interest paid	(1,974)	(2,101)
Net cash from operating activities	<u>7,483</u>	<u>32,654</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans from group undertakings	(19,541)	(43,689)
Net cash used in financing activities	<u>(19,541)</u>	<u>(43,689)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(12,058)</b>	<b>(11,035)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>61,348</b>	<b>72,383</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>49,290</u></b>	<b><u>61,348</u></b>

The notes on pages 11 to 14 form part of these financial statements.

# Ore Valley Enterprises Limited

## Notes to the Financial Statements

Year ended 31 March 2023

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### 1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 114/116 Station Road, Cardenden, Fife, KY5 0BW.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost basis.

The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

#### Revenue recognition

Turnover represents rental income receivable during the year.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

#### Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 4. Turnover

Turnover arises from:

	2023 £	2022 £
Rental Income	<u>395,124</u>	<u>380,533</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

# Ore Valley Enterprises Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 5. Operating profit

Operating profit or loss is stated after charging:

	2023 £	2022 £
Impairment of trade debtors	<u>(1,870)</u>	<u>7,032</u>

### 6. Auditor's remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	<u>3,780</u>	<u>3,000</u>

### 7. Interest payable and similar expenses

	2023 £	2022 £
Other interest payable and similar charges	<u>1,974</u>	<u>2,101</u>

### 8. Tax on profit

#### Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower (2022: lower) than the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023 £	2022 £
Profit on ordinary activities before taxation	<u>18,668</u>	<u>17,816</u>
Income tax calculated at 19% (2022: 19%)	<u>3,547</u>	<u>3,385</u>
Group loss relief	<u>(3,547)</u>	<u>(4,245)</u>
Remeasurement of deferred tax for changes in tax rates	-	(8,623)
Deferred tax not recognised	-	9,483
Tax on profit	<u>-</u>	<u>-</u>

There are unused tax losses of £125,524 (2022: £125,524) which have been carried forward at 31 March 2023. There is no expiry date on any of these losses, however they are restricted and can only be offset against future trading profits. There is an unrecognised deferred tax asset of £35,928 (2022: £35,928).

### 9. Debtors

	2023 £	2022 £
Other debtors	<u>18,101</u>	<u>27,542</u>

# Ore Valley Enterprises Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 10. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	5,949	33,828
Amounts owed to group undertakings	72,661	83,550
Accruals and deferred income	38,536	39,935
	<u>117,146</u>	<u>157,313</u>

### 11. Called up share capital

#### Authorised share capital

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

#### Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 12. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 13. Analysis of changes in net debt

	At 1 Apr 2022 £	Cash flows £	At 31 Mar 2023 £
Cash at bank and in hand	61,348	(12,058)	49,290
Debt due within one year	(83,550)	10,889	(72,661)
	<u>(22,202)</u>	<u>(1,169)</u>	<u>(23,371)</u>

### 14. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Not later than 1 year	258,301	254,491
Later than 1 year and not later than 5 years	536,000	540,629
Later than 5 years	2,546,000	2,680,000
	<u>3,340,301</u>	<u>3,475,120</u>

**Ore Valley Enterprises Limited**  
**Notes to the Detailed Income Statement**  
**Year ended 31 March 2023**

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2023	2022
£	£

**15. Related party transactions**

At the 31 March 2023 the amount due to Ore Valley Housing Association Limited, the ultimate parent company, on the inter-company current account was £72,661 (2022: £83,550), and £1,974 (2022: £2,101) of interest was charged during the year at a commercial rate.

During the year, the company paid management fees of £37,598 (2022: £35,664) to Ore Valley Housing Association Limited. There were no amounts outstanding at the year-end in respect of this.

During the year, the company paid lease costs of £134,000 (2022: £134,000) to Ore Valley Housing Association for the lease of properties.

During the year, the company paid £6,068 (2022: £1,517) for maintenance recharges to Ore Valley Housing Association Limited.

Director, Andrew Saunders, was also the Chief Executive of Ore Valley Housing Association Limited and was a director of Ore Valley Community Initiatives Limited for the whole year and resigned from both roles on 30 June 2023.

Director, G Smith, was a member of the Ore Valley Housing Association Management Committee and was also a director of Ore Valley Community Initiatives Limited until he resigned from both roles on 20 September 2022.

Director, J Flynn, is a member of the Ore Valley Housing Association Management Committee and is also a director of Ore Valley Community Initiatives Limited.

Director, A R McDaniel, is a member of the Ore Valley Housing Association Management Committee and is also a director of Ore Valley Community Initiatives Limited.

Director, N R Clark, is also a director of Ore Valley Community Initiatives Limited. N R Clark was appointed the Chief Executive of Ore Valley Housing Association Limited on 1 July 2023.

**16. Controlling party**

The immediate and ultimate parent company is Ore Valley Housing Association Limited.

In the opinion of the directors no individual has ultimate control.

**17. Going concern**

At 31 March 2023 the company had negative reserves. As stated in the Directors' Report the company has had its fifth straight profitable year and the directors have prepared budgets and projections for the developments which show the company will continue to achieve profitability. With the continued support of the parent company (Ore Valley Housing Association Limited) the company will be able to meet its liabilities as they fall due and therefore the financial statements have been prepared on a going concern basis.