

ARK HOUSING TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

Charity number CR 42034

ARK HOUSING TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2005

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ARK HOUSING TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2005

Trustees and Advisers

Trustees: H Davies
W T Duncan
I Guild
R McDowall
J A Milroy (Secretary)
D Molyneaux (Chairman)

Principal Office: The Priory
Canaan Lane
Edinburgh
EH10 4SG

Auditors: Baker Tilly
23 Queen Street
Edinburgh
EH2 1JX

Solicitor: Shepherd & Wedderburn WS
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2ET

Bankers: The Royal Bank of Scotland
Colinton Branch
64 Bridge Street
Edinburgh
EH13 OLQ

Investment Managers: Bell Lawrie White

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2005

Report of the Trustees

The ARK Housing Trustees present their report and the audited financial statements for the year ended 31 March 2005.

Principal Activities

The ARK Housing Trust was established by Trust Deed dated 7 February 1978.

The purposes of the Trust are:-

1. For payment of the expenses of administering the Trust.
2. For payment in any year or years of the whole or such part of the free income of the Trust Estate as the Trustees consider desirable for such purposes as are charitable in law as the Trustees may in their absolute discretion select, subject to the declaration that the Trustees shall expressly keep in mind the relief of poverty and the furtherance of the Christian religion and education, and in particular the benefit of disabled and elderly people and the furtherance and extension of the purposes of ARK Housing Association Limited. This declaration is without prejudice to the full and complete discretion of the Trustees to administer and dispose of the Trust Estate for such purposes as are charitable in law and to such institutions and other bodies as are charitable in law and in accordance with the Trust purposes.

Activity Review

The principal activities of the Trust in the financial year to 31 March 2005 were the receipt of rental income from ARK Housing Association for the property at Rankin Avenue, the receipt of two bequests and the receipt of interest on cash balances.

Current Financial Position

The finances of the Trust are detailed in the attached primary statements.

ARK HOUSING TRUST

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for the year ended 31 March 2005

The Trustees

The Trustees of the company during the period, none of whom have a beneficial interest in the Trust are detailed on page 1 of these accounts.

The Secretary of ARK Housing Association Limited is an ex officio Trustees, as provided for in the Trust Deed.

The company is limited by guarantee and is constituted by Trust deed.

Statement of Trustees' Responsibilities

Charities Legislation requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period. In preparing those accounts, the Trustees are required to:

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

The Trustees are responsible for ensuring that arrangements are made for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Risk Management

The trustees confirm that the major risks to which the charity is exposed to, have been considered and reviewed. The risk management process involves discussion of the future activity and direction of the company.

ARK HOUSING TRUST

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Credit Payment Policy

The payment policy which the Association work to is to pay all purchases within 3 months and in accordance with creditor payment terms.

Investment Policy

The Trust employ Bell Lawrie White, stockbrokers, to manage the portfolio on an advisory basis. The objective is one of a balanced portfolio subject to a medium degree of risk. There are no specific investment restrictions or limitations applied to the portfolio.

Reserves

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity which have not been designated for any other purpose.

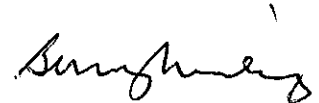
Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are funds which are set aside amounts to ensure they can meet major repairs as they fall due at projects at Dalkeith, Dunfermline, Livingston and Glenrothes.

Auditors

Baker Tilly have agreed to offer themselves for reappointment as auditors of the Trust.

By order of the Board



James A Milroy
Secretary

Date - 20 SEP 2005

ARK HOUSING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARK HOUSING TRUST

for the year ended 31 March 2005

We have audited the financial statements on pages 7 to 13.

This report is made solely to the Trust's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the Trust has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the Trust is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ARK HOUSING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ARK HOUSING TRUST

for the year ended 31 March 2005

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2005 and of its incoming resources and application of resources including, in its income and expenditure account, the surplus or deficit for the year then ended and have been properly prepared in accordance with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990, the Charities Accounts (Scotland) Regulations 1992 and/or the terms of the Trust Deed..

Baker Tilly

Baker Tilly
Registered Auditors
Chartered Accountants

Edinburgh

Date: *29 September 2005*

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 March 2005

	Unrestricted funds					
	General					
	Trust	Designated	Restricted	Total	Total	
Note	Funds	Funds	Funds	2005	2004	
	£	£	£	£	£	£
Income						
Other Income	2,134	-	-	2,134	2,134	
Donations	73,888	-	-	73,888	905	
Investment Income	1,858	147	825	2,830	-	
Interest receivable	829	104	532	1,465	4,602	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Total income	78,709	251	1,357	80,317	7,641	
Expenditure						
Management and administration costs	2					
	8,165	29	165	8,359	5,376	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
Surplus on ordinary activities for the year to 31 March 2005	7/8/9	70,544	222	1,192	71,958	2,265
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Surplus on ordinary activities for the year to 31 March 2004	7/8/9	575	277	1,413	2,265	14,052
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

BALANCE SHEET

for the year ended 31 March 2005

	Note	2005 £	2004 £
Investments	3	212,638	-
Current assets			
Deposit account		93,251	212,798
Bank current account		215	266
Debtor	4	29,708	27,643
		<u>123,174</u>	<u>240,707</u>
Total Assets		335,812	240,707
Creditors			
Amounts falling due within one year	5	<u>(15,710)</u>	<u>(14,463)</u>
Net current assets		<u>107,464</u>	<u>226,244</u>
Net assets	6	<u>320,102</u>	<u>226,244</u>
Represented by:			
Designated Funds	9	16,004	15,782
Unrestricted funds	7	221,829	129,385
Restricted funds	8	<u>82,269</u>	<u>81,077</u>
	10	<u>320,102</u>	<u>226,244</u>

These financial statements are prepared in accordance with the special provisions of (Part VII) of the Companies Act 1985 relating to small companies and also with the revised (effective June 2002) Financial Reporting Standard for Smaller Entities (FRSSE). The statements were approved by the Trustees on and were signed on its behalf by:-

20 SEP 2005



D Molyneux – Chairman



J A Milroy – Secretary

The notes on pages 10 to 13 form part of these accounts.

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2005

	Note	General Trust Funds £	Designated Funds £	Restricted Funds £	Total 2004/2005 £	Total 2003/2004 £
Income and Expenditure						
Incoming resources						
Other Income		2,134	-	-	2,134	2,134
Donations Receivable		73,888	-	-	73,888	905
Investment Income		1,858	147	825	2,830	
Interest Receivable		829	104	532	1,465	4,602
Total incoming resources		<u>78,709</u>	<u>251</u>	<u>1,357</u>	<u>80,317</u>	<u>7,641</u>
Resources expended						
Administration Expenses	2	<u>8,165</u>	<u>29</u>	<u>165</u>	<u>8,359</u>	<u>5,376</u>
Total resources expended		<u>8,165</u>	<u>29</u>	<u>165</u>	<u>8,359</u>	<u>5,376</u>
Net incoming resources for the year		70,544	222	1,192	71,958	2,265
Other recognised gains and losses						
Unrealised gain on investments	3	21,900	-	-	21,900	-
Fund balances brought forward		<u>129,385</u>	<u>15,782</u>	<u>81,077</u>	<u>226,244</u>	<u>223,979</u>
Fund balances carried forward	7/8	<u><u>221,829</u></u>	<u><u>16,004</u></u>	<u><u>82,269</u></u>	<u><u>320,102</u></u>	<u><u>226,244</u></u>

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

for the year ended 31 March 2005

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in October 2000.

(a) Basis of accounting

The financial statements are prepared in accordance with the historical cost accounting rules and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). Costs are allocated directly to the fund to which they relate. General costs are allocated on the basis of time spent on administration in relation to each fund.

(b) Investments

In accordance with the Statement of Recommended Practice - "Accounting and Reporting by Charities", investments are shown at market value.

2. Management and administration costs

	2005	2004
	£	£
General Trust Funds:		
Administration expenses due to ARK Housing Association Limited	2,040	2,040
Audit fee	729	670
Other expenses	5,396	2,666
	<u>8,165</u>	<u>5,376</u>

3. Investments

	2005	2004
	£	£
Market Value at 31 March 2004	-	-
Add: Acquisitions at cost	190,738	-
Net gain on revaluation at 31 March 2005	21,900	-
	<u>212,638</u>	<u>-</u>
Market Value at 31 March 2005		
	<u>190,000</u>	<u>-</u>

The Trust do not hold any Investment holdings over 20% in any of the companies invested. Investments comprise a portfolio of investments managed by an investment manager.

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

for the year ended 31 March 2005

4. Debtors	2005	2004
	£	£
Loan to ARK Housing Association Limited (Note 11)	25,000	25,000
Other Debtors	4,708	2,643
	<u>29,708</u>	<u>27,643</u>
5. Creditors	2005	2004
	£	£
Amounts falling due within one year		
Designated Scheme Funds	10,808	10,643
Ark Housing Association Creditor	4,173	
Accruals	729	3,820
	<u>15,710</u>	<u>14,463</u>
6. Net assets	2005	2004
	£	£
The net assets of the Trust can be split between general and restricted funds as :		
Restricted funds:		
Deposit account	81,343	81,077
Debtors	1,091	-
Creditors	(165)	-
	<u>82,269</u>	<u>81,077</u>
Designated Funds		
Deposit Account	15,834	15,505
Debtors	199	-
Creditors	(29)	-
	<u>16,004</u>	<u>15,505</u>
	<u>98,273</u>	<u>96,582</u>
Unrestricted funds:		
Investment	212,638	-
Deposit account	(3,926)	116,216
Bank current account	215	266
Debtors	28,418	27,643
Creditors	(15,516)	(14,463)
	<u>221,829</u>	<u>129,662</u>
Total net assets	<u>320,102</u>	<u>226,244</u>

ARK HOUSING TRUST

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NOTES TO THE ACCOUNTS

for the year ended 31 March 2005

7. Unrestricted funds

	2005	2004
	£	£
General trust funds		
At 1 April 2004	129,385	128,810
Surplus for the year	70,544	575
Unrealised gain on Investments	21,900	-
At 31 March 2005	221,829	129,385

8. Restricted funds

	2005	2004
	£	£
Janet Thomson Paterson Fund		
As at 1 April 2004	81,077	79,664
Surplus for the year	1,192	1,413
At 31 March 2005	82,269	81,077

9. Designated Reserves

These amounts relate to moneys raised on behalf of specific projects. The intention is that the funds will be used on behalf of the relevant projects as follows:-

	2005	2004
	£	£
Dalkeith	10,179	10,038
Glenrothes	5,060	4,989
Livingston	618	610
Dunfermline	147	145
	16,004	15,782

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

for the year ended 31 March 2005

10. Total reserves

	2005	2004
	£	£
General trust funds	221,829	129,385
Designated funds	16,004	15,782
Restricted funds	82,269	81,077
At 31 March 2005	<u>320,102</u>	<u>226,244</u>

11. Related party transactions

At March 2005 ARK Housing Trust had a creditor of £4,173 (2004: £2,870) due to ARK Housing Association for management services provided by the Association during the year.

In addition a loan of £25,000 has been made to ARK Housing Association from ARK Housing Trust to assist with the purchase of a new property. The loan is interest free and is repayable on disposal of the property. The rental income from the property will be paid to the Trust after deduction of the Association's management and maintenance allowances. The balance of any sales proceeds of the property would be divided equally between the Trust and the Association.