

ARK HOUSING TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

Charity number CR 42034

ARK HOUSING TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2006

Contents	Page
Trustees and advisers	1
Report of the Trustees	2 – 4
Statement of Trustees' responsibilities	3
Independent Auditors report to the Trustees of Ark Housing Trust	5 – 6
Statement of Financial Activities	7
Balance Sheet	8
Income & Expenditure Account	9
Notes to the financial statements	10-14

ARK HOUSING TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2006

Trustees and Advisers

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

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 2006

Report of the Trustees

The Trustees of Ark Housing Trust present their report and the audited financial statements for the year ended 31 March 2006.

Objectives and 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.

The Trust seeks to maximise income to enable its ongoing support of Ark Housing Association. During the year, the Trust funded a two day consultation exercise bringing together a group of Ark Housing Association service users. The exercise examined ways that service users would like to inform, advise and guide the future direction of the services provided by the Housing Association from the perspective of people who use these services.

Financial Review

The Trust made a surplus in 2005/06 after revaluation of investments of £94,007.

Principle funding sources in the financial year to 31 March 2006 were the receipt of a loan repayment and a bequest from an ex-service user's estate.

Structure, Governance and Management

The Trust is limited by guarantee, with charitable status and is constituted by Trust deed.

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 Trustee, as provided for in the Trust Deed.

The Trust employs no staff of its own, and has in place an agreement with ARK Housing Association for the provision of professional services.

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2006

Trustees are appointed based on their skills, interests and experience being appropriate to the needs of the Trust. All existing Trustees were able to apply their professional experience, skills and knowledge with little formal induction and training. Further Trustees will be inducted and trained according to their individual needs.

The Trustees confirm that the major risks to which the charity is exposed, have been considered and reviewed. The main risk to the Trust is security of investments and this risk is mitigated by following professional advice from investment advisors and by maintaining a balanced well spread portfolio of investments.

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 on a consistent basis;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust. The Trustees have overall responsibility for ensuring the Trust has an appropriate system of controls, financial and otherwise. The Trustees 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.

Credit Payment Policy

Purchases are paid within 30 days of invoice or in accordance with creditor payment terms.

Investment Policy

The Trust employs 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.

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2006

The Trustees review and manage actively the reserves of the Trust to maintain a level of reserves sufficient to support the charitable objects of the Trust.

Auditors

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

By order of the Board

Trustee

Date –

ARK HOUSING TRUST

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

for the year ended 31 March 2006

We have audited the financial statements on pages 7 to 14. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the Trust's members, as a body, in accordance with the Charities Accounts (Scotland) Regulations 1992. 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 the Trustees and Auditors

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

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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, the Statement of Recommended Practice 2005 (SORP), Accounting and Reporting by Charities, the Trust Deed and the Charities Accounts (Scotland) Regulations 1992. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the Trust has not kept proper records, or if all the information specified by law regarding directors' remuneration and transactions with the Trust is not disclosed.

We read the Report of the Board of Trustees and consider the implications of our report if we become aware of any apparent mis-statements within it 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an 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 judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the 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 mis-statement, whether 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 2006

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practices, of the state of affairs of the Trust as at 31 March 2006 and of its incoming resources and application of resources, including income and expenditure, in the period then ended and have been properly prepared in accordance with the Charities SORP 2005 (Accounting and Reporting by Charities), the Trust Deed and the Charities Accounts (Scotland) Regulations 1992. The information given in the Trustees Report is consistent with the financial statements.

Baker Tilly

Chartered Accountants
Registered Auditors
23 Queen Street
Edinburgh
EH2 1JX

Date:

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2006

	Note	General Trust Funds £	Designated Funds £	Restricted Funds £	Total 2005/2006 £	Total 2004/2005 £
INCOME						
Investment Income						
Investment Income		3,150	250	1,400	4,800	2,830
Interest Received		11,785	116	596	12,497	1,465
Income from Charitable Activities						
Rankin Avenue Rent		1,423	-	-	1,423	2,134
Income from Voluntary Contributions						
Donations		38,758	-	-	38,758	73,888
Total Incoming Resources		<u>55,116</u>	<u>366</u>	<u>1,996</u>	<u>57,478</u>	<u>80,317</u>
EXPENDITURE						
Governance Costs	3	2,259	-	-	2,259	2,191
Charity Activity Costs	3	15,156	72	404	15,632	6,168
Total Resources Expended		<u>17,415</u>	<u>72</u>	<u>404</u>	<u>17,891</u>	<u>8,359</u>
Net Incoming Resources		<u>37,701</u>	<u>294</u>	<u>1,592</u>	<u>39,587</u>	<u>71,958</u>
Other Recognised Gains and Losses						
Unrealised gain on Investment		44,512	-	-	44,512	21,900
Realised Gain on Investment		9,908	-	-	9,908	-
Net Movements in Funds		<u>92,121</u>	<u>294</u>	<u>1,592</u>	<u>94,007</u>	<u>93,858</u>
Total Funds at 1 April 2005		221,829	16,004	82,269	320,102	226,244
Fund Balance carried forward at 31 March 2006	8/9/10	<u>313,950</u>	<u>16,298</u>	<u>83,861</u>	<u>414,109</u>	<u>320,102</u>

ARK HOUSING TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
BALANCE SHEET
for the year ended 31 March 2006

	Note	2006 £	2005 £
Investments	4	320,301	212,638
Current assets			
Debtors	5	1,935	29,708
Bank and Cash		118,608	93,466
		<u>120,543</u>	<u>123,174</u>
Creditors			
Amounts falling due within one year	6	<u>(26,735)</u>	<u>(15,710)</u>
Net current assets		<u>93,808</u>	<u>107,464</u>
Net assets	7	<u>414,109</u>	<u>320,102</u>
 Represented by:			
Designated Funds	10	16,298	16,004
Unrestricted funds	8	313,950	221,829
Restricted funds	9	<u>83,861</u>	<u>82,269</u>
	11	<u>414,109</u>	<u>320,102</u>

The financial statements were approved by the Trustees and authorised for issue on
and were signed on its behalf by:-

_____ D Molyneux – Chairman

_____ Trustee

The notes on pages 10 to 14 form part of these accounts.

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 March 2006

	Unrestricted funds					
	General					
	Trust	Designated	Restricted	Total	Total	
Note	Funds	Funds	Funds	2006	2005	
	£	£	£	£	£	£
Income						
Other Income	1,423	-	-	1,423	2,134	
Donations	38,758	-	-	38,758	73,888	
Investment Income	3,150	250	1,400	4,800	2,830	
Interest receivable	<u>11,785</u>	<u>116</u>	<u>596</u>	<u>12,497</u>	<u>1,465</u>	
Total income	55,116	366	1,996	57,478	80,317	
Expenditure						
Management and administration costs	2/3 <u>17,415</u>	<u>72</u>	<u>404</u>	<u>17,891</u>	<u>8,359</u>	
Surplus on ordinary activities for the year to 31 March 2006	8/9/10 <u>37,701</u>	<u>294</u>	<u>1,592</u>	<u>39,587</u>	<u>71,958</u>	
Surplus on ordinary activities for the year to 31 March 2005	8/9/10 <u>70,544</u>	<u>222</u>	<u>1,192</u>	<u>71,958</u>	<u>2,265</u>	

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

for the year ended 31 March 2006

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 April 2005.

(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 January 2005). 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.

(c) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. Under the requirements of Charities SORP 2005 these have been allocated between charitable expenditure and governance costs as appropriate. This split has been made by assessing the nature of each expense and allocating it appropriately. (See Note 3)

2.

General Trust Funds:	2006	2005
	£	£
Administration expenses due to ARK Housing Association Limited	2,040	2,040
Service User Participation Funding due to Ark Housing Association Limited	13,382	4,267
Audit fee	829	729
Other expenses	1,164	1,129
	<u>17,415</u>	<u>8,165</u>

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

for the year ended 31 March 2006

3. Allocation of Management and Administration Costs	Charitable Activity	Governance	2006 Total £	2005 Total £
Administration Expenses	610	1,430	2,040	2,040
Audit Fee	-	829	829	761
Service User Participation Funding	13,382	-	13,382	4,267
Other Expenses	1,640	-	1,640	1,291
	<u>15,632</u>	<u>2,259</u>	<u>17,891</u>	<u>8,359</u>

Administration expenses have been allocated on the basis that Chief Executive's and Finance Director's time is spent attending Trustees' meetings and preparing reports for Trustees, therefore the administration expenses have been apportioned between charitable activity and governance costs on this basis.

4. Investments	Deposit Account	Investments	2006 £	2005 £
Market Value at 31 March 2005	10,310	202,328	212,638	-
Add acquisitions at cost	-	83,237	83,237	190,738
Less disposals at opening book cost	-	(17,101)	(17,101)	-
Unrealised gain on revaluation	-	44,512	44,512	21,900
Invested in shares	(2,985)	-	(2,985)	-
	<u>7,325</u>	<u>312,976</u>	<u>320,301</u>	<u>212,638</u>

Historical cost as at 31 March 2006	<u>253,958</u>	<u>190,000</u>
-------------------------------------	----------------	----------------

5. Debtors	2006 £	2005 £
Loan to ARK Housing Association Limited (Note 12)	-	25,000
Other Debtors	1,935	4,708
	<u>1,935</u>	<u>29,708</u>

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

for the year ended 31 March 2006

6. Creditors	2006	2005
Amounts falling due within one year	£	£
Designated Scheme Funds	10,525	10,808
Ark Housing Association	15,422	4,173
Accruals	788	729
	<u>26,735</u>	<u>15,710</u>
7. Net assets	2006	2005
	£	£
The net assets of the Trust can be split between general and restricted funds as :		
Restricted funds:		
Investment	868	-
Deposit account	83,131	81,343
Debtors	329	1,091
Creditors	(467)	(165)
	<u>83,861</u>	<u>82,269</u>
Designated Funds		
Investment	169	-
Deposit Account	16,119	15,834
Debtors	77	199
Creditors	(67)	(29)
	<u>16,298</u>	<u>16,004</u>
	<u>100,159</u>	<u>98,273</u>
Unrestricted funds:		
Investment	319,264	212,638
Deposit account	19,070	(3,926)
Bank current account	287	215
Debtors	1,529	28,418
Creditors	(26,200)	(15,516)
	<u>313,950</u>	<u>221,829</u>
Total net assets	<u>414,109</u>	<u>320,102</u>

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

for the year ended 31 March 2006

8. Unrestricted funds

	2006	2005
	£	£
General trust funds		
At 1 April 2005	221,829	129,385
Surplus for the year	37,701	70,544
Realised gain	9,908	-
Unrealised gain on Investments	44,512	21,900
At 31 March 2006	313,950	221,829

9. Restricted funds

	2006	2005
	£	£
Janet Thomson Paterson Fund		
As at 1 April 2005	82,269	81,077
Surplus for the year	1,592	1,192
At 31 March 2006	83,861	82,269

10. 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, for example spending on supporting one-off purchases such as furniture, or one-off activities such as trips. The reserves are as follows:-

	2006	2005
	£	£
Dalkeith	10,367	10,179
Glenrothes	5,154	5,060
Livingston	627	618
Dunfermline	150	147
	16,298	16,004

11. Total reserves

	2006	2005
	£	£
General trust funds	313,950	221,829
Designated funds	16,298	16,004
Restricted funds	83,861	82,269
At 31 March 2006	414,109	320,102

ARK HOUSING TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

for the year ended 31 March 2006

12. Related party transactions

At March 2006 ARK Housing Trust had a creditor of £15,422 (2005: £4,173) due to ARK Housing Association for management services provided by the Association during the year.

A loan of £25,000 from ARK Housing Association was repaid during the year. This loan was made to ARK Housing Association from ARK Housing Trust to assist with the purchase of a new property. The loan was interest free and repayable on the disposal of the property. Rental income from the property was paid to the Trust after the deduction of the Association's management and maintenance allowance.