
ARK SERVICES LIMITED
(a company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Company Registration Number SC213778

Scottish Registered Charity Number SC030804

ARK SERVICES LIMITED

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ARK SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

Registered number	SC213778
The Directors	Serving in 2018-2019 Mr Kenneth Brown – Chair Mr B Duffy (Chief Executive ARK HA) (appointed 20 June 2019) Ms J Gray (Chief Executive ARK HA) (resigned 28 May 2019) Ms Ann Lyon Mr Neil Andrew McKnight Mr Michael Morrice (resigned 21 November 2018)
Company Secretary	Mr B Duffy (appointed 20 June 2019) Ms J Gray (resigned 28 May 2019)
Registered Office	The Priory Canaan Lane Edinburgh EH10 4SG
Auditors	Chiene and Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Solicitors	T C Young Melrose House 69a George Street Edinburgh EH2 2JG
Bankers	The Royal Bank of Scotland Corstorphine (C) Branch 239 St John's Road Edinburgh EH12 7XA Bank of Scotland Pentland House, 1 st Floor South Gyle Edinburgh EH12 9DJ Nationwide Building Society Caledonia House Carnegie Avenue Dunfermline KY11 8PJ

ARK SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements of the company for the year ended 31 March 2019.

Objectives

Ark Services Limited is a wholly controlled subsidiary of ARK Housing Association Limited and was set up to develop housing for those who are aged, infirm or disabled, and in need of housing and any associated amenities. The strategy of Ark Services is to access government capital funding that is not available to Housing Associations and to use its funds and the expertise of its Board to develop and manage social housing with appropriate adaptations to meet specific needs. Ark Services works in partnership with Local Authorities, the Scottish Housing Regulator, banks, construction professionals and other professionals involved in providing care and support services.

Achievements, Performance and Financial Review

The principal activity in the year has been the ongoing provision of specialist housing at four sites in Aberdeen City. This is in line with the objectives of Ark Services. Care and support to tenants was provided by other organisations.

Financial Review

Total incoming resources for the year were £731,826, an increase of £45,066 on the previous year. The surplus on ordinary activities was £350,291, an increase of £29,798 from the previous year.

Going Concern

The board of directors has reviewed the results for this year and has also reviewed the projections for the next five years. The directors, therefore, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

Reserves

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the company which have not been designated for any other purposes. Currently, unrestricted reserves stand at £1,897,322. The company has no specific policy on the level of reserves which it holds however these will be applied to the long term maintenance of the company's properties to ensure it can continue to provide suitable accommodation for tenants.

Creditor payment policy

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

Investments

The company does not invest in the stock market but uses effective treasury management to minimise transaction costs and the net loan interest paid.

Principal risks and uncertainties

The directors confirm that the major risks to which the company is exposed have been considered and reviewed. The main risks facing Ark Services are rental voids and unplanned repairs and maintenance. These risks have been mitigated by entering into long-term agreements for rents and by ensuring that the costs of repairs and maintenance are either covered by current rents or cash-backed reserves.

A disaster recovery plan and business continuity plan have been developed for Ark Services as part of ARK Housing Association's policies and procedures.

ARK SERVICES LIMITED

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31 MARCH 2019

Plans for the Future

Future development activity will be dependent on the availability of Special Needs Capital Grant or other funding and discussions with Local Authorities and ARK Housing Association regarding the possibility of working in partnership on new opportunities.

Surpluses generated will be applied to the long term maintenance of the company's properties to ensure it can continue to provide suitable accommodation for those tenants with specific needs and also the provision of working capital to support property development opportunities as they arise.

Structure, Governance and Management

Ark Services Limited is a registered charity, governed by its Memorandum and Articles of Association and is limited by guarantee. There is no share capital and every member of the company undertakes to contribute an amount not exceeding £1 should the company be wound up. The members of the company include the original subscriber to the Memorandum of Association of the company, ARK Housing Association, and such other persons as may from time to time be admitted to membership by the directors (all current directors are members). Members cease to be a member if they deliver a notice of resignation or on death or dissolution. Directors can terminate the membership under specific circumstances defined in the company's Articles of Association.

The company is managed by a board of directors who meet at least four times a year. The decision-making of the directors is serviced by information provided by ARK Housing Association. The company employs no staff of its own, and has in place an agreement with ARK Housing Association for the provision of professional services, which includes housing management. The day to day management of Ark Services is delegated by the directors to the Chief Executive of ARK Housing Association.

The directors who served during the year are listed on page 1. Directors chosen to form the Board have the required diversity of skills, interests and experience; and are provided with relevant training as required.

Key management personnel and remuneration policy

The directors consider the board of directors, who are also the trustees, to comprise the key management personnel of the charity as they are in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give of their time freely and no director received remuneration nor expenses in the year. The company does not directly employ any staff and therefore management services are provided by ARK Housing Association Limited, the ultimate parent undertaking.

Statement of Directors' Responsibilities

The directors (who are also the trustees of Ark Services Limited for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

ARK SERVICES LIMITED

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31 MARCH 2019

Statement of Directors' Responsibilities (continued)

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Chiene + Tait LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with the provisions of the Companies Act 2006.

Small company provisions

The Directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Registered office:
The Priory
Canaan Lane
Edinburgh
EH10 4SG
Company Registration Number SC213778
Scottish Registered Charity Number SC030804

Signed by order of the directors

.....
Kenneth Brown
Director

19 September 2019

ARK SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Ark Services Limited (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019, and of the charitable company's incoming resources and application of resources, including the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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 charitable 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. 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.

ARK SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 MARCH 2019

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 3 to 4, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

ARK SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 MARCH 2019

In preparing the financial statements, the directors are responsible for assessing the charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy Chittleburgh BSc CA (Senior Statutory Auditor)
For and on behalf of Chiene + Tait LLP, Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

2019

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ARK SERVICES LIMITED
COMPANY NUMBER SC213778
STATEMENT OF FINANCIAL ACTIVITIES
AS AT 31 MARCH 2019

	Notes	General Funds £	Total to 31 March 2019 £	Total to 31 March 2018 £
Income and endowments from:				
Charitable Activities				
Provision of Housing-gross income		703,388	703,388	660,895
Grants released from deferred income		25,062	25,062	25,062
Investment Income				
Interest Received	5	3,376	3,376	803
Total Income		731,826	731,826	686,760
Expenditure on:				
Charitable Activities	3	381,535	381,535	366,267
Total Expenditure		381,535	381,535	366,267
Net income and movement in funds for the year		350,291	350,291	320,493
Reconciliation of Funds				
Total Funds at 1 April 2018		1,547,031	1,547,031	1,226,538
Fund balances carried forward at 31 March 2019	14	1,897,322	1,897,322	1,547,031
Represented by:				
Fixed Assets	7&8	3,670,344	3,670,344	3,632,502
Current Assets		1,710,432	1,710,432	1,391,493
Current Liabilities	10	(458,021)	(458,021)	(375,889)
Long Term Liabilities	11	(3,025,433)	(3,025,433)	(3,101,075)
		1,897,322	1,897,322	1,547,031

All amounts relate to continuing operations.

ARK SERVICES LIMITED
COMPANY NUMBER SC213778
BALANCE SHEET
AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
Fixed Assets			
Housing Properties			
- cost	7	4,824,009	4,723,621
Depreciation		<u>(1,203,667)</u>	<u>(1,141,121)</u>
		3,620,342	3,582,500
Other Fixed Assets (Land)	8	<u>50,002</u>	<u>50,002</u>
		3,670,344	3,632,502
 Current Assets			
Debtors	9	19,716	17,187
Cash at bank		<u>1,690,716</u>	<u>1,374,306</u>
		1,710,432	1,391,493
 Creditors: amounts due in less than one year	10	<u>(458,021)</u>	<u>(375,889)</u>
 Net current assets / liabilities		<u>1,252,411</u>	<u>1,015,604</u>
 Total assets less current liabilities		4,922,755	4,648,106
 Creditors: amounts falling due after more than one year			
	11	<u>(3,025,433)</u>	<u>(3,101,075)</u>
		<u>1,897,322</u>	<u>1,547,031</u>
 Unrestricted funds			
 Income and expenditure account	14	<u>1,897,322</u>	<u>1,547,031</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating small companies.

These financial statements were approved and authorised for issue by the directors on the 19 September 2019 and are signed on their behalf by:

.....
Kenneth Brown
Director

ARK SERVICES LIMITED
COMPANY NUMBER SC213778
STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
Cash provided by operating activities	17	<u>584,021</u>	<u>495,303</u>
Cash flow from investing activities			
Interest Received	5	3,376	803
Purchase of other tangible fixed assets	7	<u>(138,507)</u>	<u>(7,335)</u>
Cash used in investing activities		<u>(135,131)</u>	<u>(6,532)</u>
Cash flow from financing activities			
Interest Paid	6	(66,574)	(69,405)
Repayment of housing loans		<u>(65,906)</u>	<u>(63,414)</u>
Cash used in financing activities		<u>(132,480)</u>	<u>(132,819)</u>
Increase in cash & cash equivalents		316,410	355,952
Cash & Cash equivalents at 1 April		<u>1,374,306</u>	<u>1,018,354</u>
Cash & cash equivalents at 31 March		<u>1,690,716</u>	<u>1,374,306</u>

ARK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

1. Company information

Ark Services Limited is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC213778. The registered office is The Priory, Canaan Lane, Edinburgh, EH10 4SG. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

2. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Ark Services Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

The financial statements have been prepared on a going concern basis. The directors have assessed the Charitable Company's ability to continue as a going concern and have reasonable expectation that the Charitable Company has 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.

Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models. See note 7 for carrying amounts of tangible assets.

ARK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

Provision of Housing Income

Income represents rents, service charges and revenue grants from Local Authorities less amounts carried forward as deferred income.

Capital and Revenue Grants

Grants of a capital nature are utilised to reduce the capital costs of an approved scheme to an amount of required loan finance which it is estimated can be serviced by the net rental income of the scheme. The amount of the capital grant received has been shown as deferred capital grant in creditors. The grant is recognised in income over the expected useful life of the housing property structure under the accruals model. Grants of a revenue nature are credited to income in the period to which they relate.

Incoming resources

All incoming resources are included in the SOFA (Statement of Financial Activities) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Interest is included when receivable by the charity.

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.

ARK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

Fixed Assets

The fixed assets relate to land which has been purchased for the construction of properties, and to building costs and related fees.

Depreciation

(i) Housing properties

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

- 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
- 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 Income and Expenditure account.

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:

- Floors	- 30 Years
- Boilers	- 15 Years
- Heating Systems	- 20 Years
- Kitchens	- 12 Years
- Bathrooms	- 15 Years
- Windows	- 30 Years
- Doors	- 30 Years
- Driveway & Paths	- 30 Years
- Gutters & Downpipes	- 30 Years
- Roof	- 80 Years
- Walls	- 30 Years
- Ceiling	- 30 Years
- Electrics	- 30 Years
- Woodwork	- 30 Years
- Lifts	- 30 Years
- Building	- 80 Years
- Assistive Technology	- 5 Years

No depreciation is charged on land.

ARK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

(ii) Impairment of fixed assets

Impairment is calculated as the difference between the carrying value of income generating units and the estimated value in use at the date an impairment loss is recognised. Value in use represents the net present value of expected future cash flows from these units. Impairment of assets would be recognised as expenditure.

(iii) Other fixed assets

The cost of purchasing equipment is written off over 5 years.

Capitalisation of Interest

Interest on capital borrowed to finance developments during the period of development has been capitalised and included in the cost of property.

Fund Accounting

Funds held by the charity are:

Unrestricted General Funds

These are funds which can be used in accordance with the charitable objects at the discretion of the directors.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

ARK SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

3 Analysis of Charitable Expenditure

	2019	2018
	£	£
Loan Interest Paid (Note 6)	66,574	69,405
Depreciation	100,666	101,362
Service Charges	55,508	56,135
Management Charges	46,070	46,070
General Repairs	81,492	61,063
Council Tax / Rates and Insurance	8,885	9,090
Major Repairs	1,893	2,358
Bad Debt Write Offs	(233)	(151)
Management and Administration Costs (Note 4)	10,942	11,328
Governance Costs (Note 4)	9,738	9,607
	<u>381,535</u>	<u>366,267</u>

No emoluments have been paid to the directors for services provided during the year (2018: £nil).

4 Allocation of Management & Administration Costs

	Charitable	Governance	2019	2018
	Activity		Total	Total
	£	£	£	£
Management Charges	9,090	7,390	16,480	16,480
Legal & Professional Fees	1,211	-	1,211	1,799
Auditor's remuneration	-	2,348	2,348	2,217
Bank Charges	641	-	641	439
	<u>10,942</u>	<u>9,738</u>	<u>20,680</u>	<u>20,935</u>

Management Charges have been allocated on the basis of the time spent attending Trustees' meetings and preparing reports for Trustees by the Chief Executive and Head of Finance of ARK Housing Association Ltd.

ARK SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

5 Interest receivable

	2019	2018
	£	£
Interest receivable	<u>3,376</u>	<u>803</u>

Interest is receivable in respect of bank deposits.

6 Interest payable

	2019	2018
	£	£
Interest payable	<u>66,574</u>	<u>69,405</u>

Interest is payable in respect of bank loans.

ARK SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

7 Housing Properties

	Freehold Property
Cost	£
At 1 April 2018	4,723,621
P/y Accrual reversal	
Additions	138,507
Disposals	(38,119)
	4,824,009
Depreciation	
At 1 April 2018	1,141,121
Write off re disposals	(37,510)
Charge for year	100,056
	1,203,667
Net book value	
At 31 March 2019	3,620,342
At 31 March 2018	3,582,500

Interest capitalised amounted to £nil (2018-£nil).

8 Other Fixed Assets

	Land
Cost	£
At 1 April 2018	£50,002
Additions	-
Disposals	-
At 31 March 2019	£50,002
Depreciation	
At 1 April 2018	-
Charge for year	-
	-
Net book value	
At 31 March 2019	£50,002
At 31 March 2018	£50,002

ARK SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

9 Debtors

	2019	2018
	£	£
Rent Arrears	11,353	14,882
Bad Debt Provision	-	(10)
	<u>11,353</u>	<u>14,872</u>
Amounts due from parent undertaking	5,183	1,107
Other Debtors	3,180	1,208
	<u>19,716</u>	<u>17,187</u>

10 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade Creditors	64,188	10,880
Rent Prepayments	8,599	7,130
Amounts due to parent undertaking	3,158	1,785
Bank loans and overdraft (Note 12)	68,970	65,906
Service Equipment Replacement Account	265,228	246,718
Grants (Note 13)	25,062	25,062
Sundry Creditors	-	200
Accruals	22,816	18,208
	<u>458,021</u>	<u>375,889</u>

11 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans and overdraft (Note 12)	1,398,175	1,467,145
Grants (Note 13)	1,627,258	1,633,930
	<u>3,025,433</u>	<u>3,101,075</u>

ARK SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

12 Detail of balance on loans

	2019	2018
	£	£
Housing loans	<u>1,398,175</u>	<u>1,467,145</u>
Loans are repayable in instalments:		
Within one year (Note 10)	<u>68,970</u>	<u>65,906</u>
Between one and two years	71,948	68,970
Between two and five years	235,085	225,313
After five years	<u>1,091,142</u>	<u>1,172,862</u>
After one year (Note 11)	<u>1,398,175</u>	<u>1,467,145</u>
Total	<u><u>1,467,145</u></u>	<u><u>1,533,051</u></u>

The loans are secured by standard security over the company's properties at School Drive Aberdeen, Springfield Road Aberdeen and Dubford Road Aberdeen. The loans are repayable by annual instalments. Interest is charged on the loans at rates between 2.31% and 5.85%.

13 Detail of balance on Grants

	2019	2018
	£	£
Total Grant at 1st April	2,004,683	2,004,683
Additions	<u>18,390</u>	<u>-</u>
Total Grant at 31st March	<u>2,023,073</u>	<u>2,004,683</u>
Released at 1st April	(345,691)	(320,629)
Released in year	<u>(25,062)</u>	<u>(25,062)</u>
Total releases at 31st March	<u>(370,753)</u>	<u>(345,691)</u>
Total Creditor at 31 March	<u><u>1,652,320</u></u>	<u><u>1,658,992</u></u>
Due within 1 year	25,062	25,062
Due in more than 1 year	<u>1,627,258</u>	<u>1,633,930</u>
	<u><u>1,652,320</u></u>	<u><u>1,658,992</u></u>

ARK SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

14 General Reserves

	2019	2018
	£	£
Balance at 1 April 2018	1,547,031	1,226,538
Surplus for the year	350,291	320,493
Balance at 31 March 2019	1,897,322	1,547,031

15 Related party transactions

ARK Housing Association provides professional and administrative support to Ark Services Limited for which there was a charge of £62,550 (2018: £62,550) made during the year. There were also charges of £8,885 (2018: £9,090) for insurance. At 31 March 2019 there was a total balance of £3,158 (2018: £1,785) owed to ARK Housing Association and a balance of £5,183 (2018: £1,107) due from ARK Housing Association in respect of rental and other income received on behalf of Ark Services Limited.

16 Ultimate parent undertaking

Ark Services Limited is a wholly managed subsidiary of ARK Housing Association Limited, a registered social landlord in Scotland. Consolidated group financial statements are available from ARK Housing Association Limited, The Priory, Canaan Lane, Edinburgh, EH10 4SG.

17 Reconciliation of net movement in funds to net cash flow from operating activities

	2019	2018
	£	£
Net movement in funds	350,291	320,493
Add back depreciation	100,666	101,362
Deduct interest income shown in investing activities	(3,376)	(803)
Add back interest paid shown in financing activities	66,574	69,405
Add back loan repayment shown in financing activities	65,906	63,415
(Increase)/decrease in debtors	(2,530)	1,931
Increase/(decrease) in creditors	6,490	(60,500)
Net cash provided by operating activities	584,021	495,303