
ARK COMMERCIAL INVESTMENT LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Company Registration Number SC504423

ARK COMMERCIAL INVESTMENT LIMITED
CONTENTS

YEAR ENDED 31 MARCH 2019

Contents	Page
Officers and professional advisors	1
The Directors report	2 - 3
Auditor's report to the Directors	4 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10-14

ARK COMMERCIAL INVESTMENT LIMITED
OFFICERS AND PROFESSIONAL ADVISORS

YEAR ENDED 31 MARCH 2019

Registered number	SC504423
The Directors	Kenneth Brown – Chair Bobby Duffy – Appointed 20 June 2019 Jane Elizabeth Gray – resigned 28 May 2019 Ann Lyon Neil McKnight Michael Morrice – resigned 21 November 2018 Ronald Gordon Watson
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 Branch 239 St John's Road Edinburgh EH12 7XA

ARK COMMERCIAL INVESTMENT 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.

Principal activities

The principal activity of the company during the year was the letting of rooms for student accommodation and holiday lets.

Directors

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

Kenneth Brown - Chair

Jane Elizabeth Gray – resigned 28 May 2019

Ann Lyon

Neil McKnight

Michael Morrice – resigned 21 November 2018

Ronald Gordon Watson

Donation

At the year end it was agreed to make a donation to the parent company of £6,811.

Directors' responsibility statement

The directors are responsible for preparing the 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;
- 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.

ARK COMMERCIAL INVESTMENT LIMITED
THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2019

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.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
The Priory
Canaan Lane
Edinburgh
EH10 4SG
Company Registration Number SC504423

Signed by order of the directors

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Kenneth Brown
Director

19 September 2019

ARK COMMERCIAL INVESTMENT LIMITED

AUDITOR'S REPORT

YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Ark Commercial Investment Limited for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes, 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 FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the 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

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 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 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. 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 COMMERCIAL INVESTMENT LIMITED
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 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; and
- 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, 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.

ARK COMMERCIAL INVESTMENT LIMITED
AUDITOR'S REPORT

YEAR ENDED 31 MARCH 2019

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 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.

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

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ARK COMMERCIAL INVESTMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover		113,158	107,885
Cost of Sales		71,216	69,729
Gross Profit		41,942	38,156
Administrative expenses		35,131	34,221
Operating Profit		6,811	3,935
Profit on ordinary activities before taxation		6,811	3,935
Tax on loss on ordinary activities	5	-	-
Profit for the financial year and total comprehensive income		6,811	3,935

All operations are from continuing activities

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

ARK COMMERCIAL INVESTMENT LIMITED
BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
Current Assets			
Debtors	6	2,380	3,988
Cash at bank		6,075	11,698
		8,455	15,686
Creditors: amounts due in less than one year	7	(8,455)	(15,686)
Net current assets		-	-
Total assets less current liabilities		-	-
Capital and reserves			
Called up equity share capital	8	1	1
Profit & Loss account		(1)	(1)
Shareholder's funds		-	-

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Kenneth Brown
Director

Company registration number: SC504423

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

ARK COMMERCIAL INVESTMENT LIMITED
STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2019

	Share capital	Profit and loss account	Total
	£	£	£
At 1 April 2017	1	(3,936)	(3,935)
Profit for the year	-	3,935	3,935
Total comprehensive income for the year	-	3,935	3,935
At 31 March 2018	1	(1)	-
Profit for the year		6,811	6,811
Other comprehensive income for the year:			
Distributions – gift aid		(6,811)	(6,811)
Total comprehensive income for the year		-	-
At 31 March 2019	1	(1)	-

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

ARK COMMERCIAL INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

1. Company information

Ark Commercial Investment Limited is incorporated and domiciled in Scotland with registered company number SC504423. 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 on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Going concern

The financial statements have been prepared on a going concern basis on the assumption that the ultimate parent undertaking, ARK Housing Association Limited, shall continue to provide financial support as and when required. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the 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.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents rental income received inclusive of VAT and other related taxes, and is recognised on a time-apportioned basis.

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year, and is charged in the Statement of Comprehensive Income. Deferred tax is provided on the liability method to take account of timing differences between the treatment for certain items for accounts purposes and the treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

ARK COMMERCIAL INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments, which include trade and other receivables and cash and bank balances, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Basic financial liabilities, which include trade and other payables, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised through profit or loss.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

3 Auditor's remuneration

	2019	2018
	£	£
Audit Fee	<u>835</u>	<u>810</u>

4 Employees

The average number of employees during the period was nil (2018: nil).

ARK COMMERCIAL INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

5 Taxation on ordinary activities		
Major components of tax expense	2019	2018
	£	£
Current Tax:		
UK current tax expense	-	-
Deferred Tax:		
Origination and reversal of timing differences	-	-
Taxation on ordinary activities	-	-
	<u> </u>	<u> </u>
6 Debtors	2019	2018
	£	£
Rent Arrears	27	675
Bad Debt Provision	-	-
	<u>27</u>	<u>675</u>
Other Debtors	<u>2,353</u>	<u>3,313</u>
	<u>2,380</u>	<u>3,988</u>
7 Creditors: amounts falling due within one year	2019	2018
	£	£
Amounts due to parent undertaking	6,890	13,962
Accruals	<u>1,565</u>	<u>1,724</u>
	<u>8,455</u>	<u>15,686</u>

ARK COMMERCIAL INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

8 Called up share capital
Authorised share capital

	No	2019
	£	£
Ordinary shares of £1 each	1	1

Issued called up and full paid

	No	2019
	£	£
Ordinary shares of £1 each	1	1

9 Reserves

Profit and loss account – includes all current and prior period retained profits and losses.

10 Related party transactions

ARK Housing Association Limited (AHA) provides professional and administrative support to Ark Commercial Investment Limited (ACIL) for which there was a charge of £10,300 (2018: £10,300) made during the year. There were also charges of £57,261 (2018: £56,140) for property rental. At 31 March 2019 there was a total balance of £6,890 (2018:£13,962), owed to ARK Housing Association Ltd, which includes a donation of £6,811.

11 Commitments

At the end of the financial year Ark Commercial Investment Limited had total future minimum lease payments under non-cancellable operation leases as follows:

Land & Buildings	2019	2018
	£	£
Operating leases which expire in less than 1 year	56,140	56,140
Over 1 year	898,240	954,380
	954,380	1,010,520
 Equipment	 2018	 2017
	£	£
Operating leases which expire in less than 1 year	915	6,822
In two to five years inclusive	-	915
	915	7,737

ARK COMMERCIAL INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

12 Ultimate parent undertaking

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