Ark Services Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended

31 March 2026

(a company limited by guarantee)
(Company Registration Number SC213778)
(Scottish Charity No. SC030804)

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OFFICERS AND PROFESSIONAL ADVISORS

Directors

Joanna Mansell – Chair (resigned 25 September 2025)
Andy Laing – Chair (appointed 25 September 2025)
Hannah Bray
Emma Johnston (resigned 25 May 2025)
Milan Milovanic
Bobby Duffy

External Auditor

CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

The Royal Bank of Scotland
Corstorphine Branch
239 St John's Road
Edinburgh
EH12 7XA

Registered Office

Lochside House
Ground Floor West Suite
3 Lochside Way
Edinburgh
EH12 9DT

Solicitors

T C Young
Melrose House
69a George Street
Edinburgh
EH2 2JG

Contact Details

Website: www.arkha.org.uk
Email: admin@arkha.org.uk
Phone: 0131 447 9027

DIRECTORS REPORT

The directors present their report and the financial statements of the company for the year ended 31 March 2026.

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 £824,295 (2025: £766,059). The Deficit on ordinary activities was £45,291 (2025: £370,196 surplus).

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 may be invested by the company in line with its 30-year financial plan. Such investment is subject to the company maintaining a viable financial profile over the life of its financial plan, as well as approval by the Board. In approving the financial plan annually, the Board will consider projected compliance with loan covenants, as well as the impact of sensitivity analysis and other risk factors which may apply.

Currently, unrestricted reserves stand at £2,982,614. The company has no specific policy on the level of reserves which it holds, or its specific uses, however as a minimum, 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.

Investments

The company considers the most effective way to generate returns, aligned to its treasury management policy to minimise transaction costs and net financing costs.

DIRECTORS REPORT (continued)

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.

The financial risks to the organisation are deemed low by the Directors, as the majority of our housing customers receive full or partial housing benefit. Void levels have also remained low throughout the period. These risks are continually monitored through monthly management accounts and quarterly forecast updates.

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.

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.

DIRECTORS REPORT (continued)

Auditors

A resolution to reappoint Chiene + Tait LLP as auditors for the ensuing year will be proposed at the annual general meeting.

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.

By order of the Directors

[redacted]

Andy Laing (Chair)
August 2026

Lochside House
Ground Floor West Suite
3 Lochside Way
Edinburgh
EH12 9DT

STATEMENT OF DIRECTORS' RESPONSIBILTIES

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).

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.

By order of the Directors

[redacted]

Andy Laing (Chair)
August 2026

Lochside House
Ground Floor West Suite
3 Lochside Way
Edinburgh
EH12 9DT

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Ark Services Limited (the 'charitable company') for the year ended 31 March 2026 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 2026, 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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.

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.

INDEPENDENT AUDITOR'S REPORT (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates and considered the risk of acts by the charitable company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the charitable company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the directors;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

INDEPENDENT AUDITOR'S REPORT (continued)

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.

[redacted]

Stuart Beattie CA (Senior Statutory Auditor)
For and on behalf of CT Audit limited, Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

________________________2026

CT Audit limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2026

	Notes	**Unrestricted Funds**	**Restricted Funds**	**Total to 31 March 2026**	**Re-stated Total to 31 March 2025**
		£	**£**	**£**	**£**
Income and endowments from:					
Charitable activities					
Provision of housing – Gross income		804,594	-	804,594	733,931
Investment income					
Interest received	*5*	19,701	-	19,701	32,128
Total income		**824,295**	**-**	**824,295**	**766,059**
Expenditure on:					
Charitable activities	*3*	844,590	24,996	869,586	395,863
Total expenditure		**844,590**	**24,996**	**869,586**	**395,863**
Net income and movement in funds for the year		(20,295)	(24,996)	(45,291)	370,196
Reconciliation of funds					
Total funds at 1 April 2025		3,002,907	1,487,769	4,490,676	4,120,480
Fund balances carried forward at 31 March 2026	*12*	**2,982,614**	**1,462,771**	**4,445,385**	**4,490,676**

All amounts relate to continuing operations.

The notes on pages 13 to 20 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	2026 £	Re-stated 2025 £
Fixed assets			
Housing properties	*7*	3,569,424	3,469,143
Current assets			
Debtors	*8*	94,036	67,157
Cash at bank		1,420,177	1,292,393
		1,514,213	1,359,550
Creditors: amounts falling due within one year	*9*	(638,252)	(338,017)
Net current assets		875,961	1,021,533
Net assets		**4,445,385**	**4,490,676**
Funds			
Unrestricted funds	*11*	2,982,614	3,002,907
Restricted funds	*10*	1,462,771	1,487,769
	12	**4,445,385**	**4,490,676**

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

These financial statements were approved and authorised for issue by the directors on the August 2026 and are signed on their behalf by:

[redacted]

Andy Laing (Chair)

The notes on pages 13 to 20 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Notes	**2026** **£**	**2025** **£**
Cash provided by operating activities	*15*	308,360	329,367
Cash flow from investing activities			
Interest received	*5*	19,701	32,129
Investment of properties – housing stock	*7*	(200,277)	(127,082)
		(180,578)	(94,953)
Cash flow from financing activities			
Interest paid	*6*	-	(35.199)
Repayment of housing loans		-	(1,009,584)
		-	(1,044,783)
Net change in cash and cash equivalents		127,784	(810,369)
Cash and cash equivalents at 1 April		1,292,393	2,102,762
Cash and cash equivalents at 31 March		1,420,177	1,292,393

The notes on pages 13 to 20 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. Legal status

Ark Services Limited is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC213778. The registered office is Lochside House, Ground Floor West Suite, 3 Lochside Way, Edinburgh, EH12 9DT. The principal activity of Ark Services is the provision of social housing and associated housing management services.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

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. The presentational currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £.

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).

Prior year adjustment

The financial statements have been re-stated in the year to 31 March 2026 to account for the housing property grant on the performance basis rather than the accruals basis. The financial impact of this has resulted in net reserves increasing by £1,487,769 as at 1 April 2025 which represents the property grant funding that was previously accounted for as the balance of unmortised grant within creditors, now presented as restricted funds. There has been no net impact to unrestricted funds, and comparatives have been updated accordingly.

Going concern

The financial statements have been prepared on a going concern basis. The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including an assessment of the uncertainty on future operations for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis. Based on this assessment, the directors consider that the Charitable Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

2. Accounting policies (continued)

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.

Provision of housing income

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

Grant income

Income from grants made for the performance of charitable activities in a period subsequent to the year-end is deferred and excluded from the Statement of Financial Activities. Income from grants for the acquisition of specific fixed assets is recognised in the Statement of Financial Activities when receivable, and the proportionate depreciation on the related asset charged to that fund over its useful life.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

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:

	Economic Life
Bathrooms	20
Kitchens	15
Windows & Doors	30
Heating Systems	15
Structure & Roofs	80
Mechanical, Electrical, & Plumbing	30
Internal Works & Common Areas	30
External Environment	30

No depreciation is charged on land.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

2. Accounting policies (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

3. Analysis of charitable expenditure

	2026 £	2025 £
Loan interest paid (note 6)	-	35,199
Depreciation	99,996	99,996
Service charges	74,169	45,060
Management charges	62,270	59,470
General repairs	84,157	105,872
Council tax / rates and insurance	18,297	17,821
Major repairs	-	-
Other sundry costs	3,128	4,244
Void utilities	1,781	1,106
Bad debt write offs	128	497
Donation given to parent	500,000	-
Support costs (note 4)	25,660	26,598
	869,586	395,863

No emoluments have been paid to the directors for services provided during the year (2025: £nil).

4. Allocation of support costs

	Management & administration £	Governance £	2026 Total £	2025 Total £
Management charges	11,750	9,380	21,130	21,130
Legal & professional fees	657	-	657	1,559
Auditor’s remuneration	-	3,300	3,300	3,180
Bank charges	573	-	573	729
	12,980	12,680	25,660	26,598

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

5. Interest receivable

	2026 £	2025 £
Interest receivable	19,701	32,128

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

Interest is receivable in respect of bank deposits.

6. Interest payable

	2026 £	2025 £
Interest payable	-	35,199

Interest is payable in respect of bank loans.

7. Housing properties

	Freehold Property £
Cost	
At 1 April 2025	5,255,888
Additions	200,277
Disposals	-
At 31 March 2026	5,456,165
Depreciation	
At 1 April 2025	1,786,745
Charge for year	99,996
Disposals	-
At 31 March 2026	1,886,741
Net Book Value	
At 31 March 2026	3,569,424
At 31 March 2025	3,469,143

Interest capitalised amounted to £nil (2025: £nil).

8. Debtors

	2026 £	2025 £
Rent arrears	91,886	8,867
Bad debt provision	(851)	(731)
	91,035	8,136
Amounts due from parent undertaking	-	-
Other debtors	3,001	59,021
	94,036	67,157

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

9. Creditors: amounts falling due within one year

	2026 £	2025 £
Trade creditors	1,333	12,657
Rent prepayments	28,319	25,138
Amounts due to parent undertaking	508,606	34,184
Equipment replacement	78,476	208,138
Accruals and deferred income	21,518	57,900
	638,252	338,017

10. Restricted reserves

	2026 £	2025 £
Balance at 1 April	1,487,769	1,512,735
Surplus / (deficit) for the year	24,996	24,966
Balance at 31 March	1,462,771	1,487,769

Restricted funds relate to funding received from the Scottish Government for the construction of supported accommodation in the early 2000s.

11. Unrestricted reserves

	2026 £	2025 £
Balance at 1 April	3,002,909	2,607,717
Surplus / (deficit) for the year	(20,295)	395,192
Balance at 31 March	2,982,614	3,002,909

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

12. Analysis of net assets

		2026 £	2025 £
Represented by:			
Fixed assets	*7*	3,569,424	3,469,143
Current assets		1,514,213	1,359,550
Current liabilities	*9*	(638,252)	(338,017)
		4,445,385	4,490,676

13. Related party transactions

Ark Housing Association provides professional and administrative support to Ark Services Limited for which there was a charge of £83,400 (2025: £80,600) made during the year. There were also charges of £15,822 (2025: £16,632) for insurance.

At 31 March 2026 there was a total balance of £508,606 (2025: £34,184) owed to Ark Housing Association. There were no other related party transactions

14. 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, Lochside House, Ground Floor West Suite, 3 Lochside Way, Edinburgh, Scotland, EH12 9DT.

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

	2026 £	2025 £
Net movement in funds	(45,291)	370,196
Add back depreciation	99,996	99,996
Deduct interest income shown in investing activities	(19,701)	(32,129)
Add back interest paid shown in financing activities	-	35,199
Add back loan repayment shown in financing activities	-	1,099,584
(Increase) / decrease in debtors	(26,879)	(49,651)
Increase / (decrease) in creditors	300,235	(1,193,828)
Net cash provided by operating activities	308,360	329,367