



ANNUAL  
REPORT &  
ACCOUNTS  
MARCH 2023



## Trustees' Annual Report - March 2023

This is the annual report for Ark Housing Trust, registered charity number 1166573.  
The principal office is 3 Bath Road, Buxton, Derbyshire, SK17 6HH.

### Charity Trustees

Philip Delight (Chair)  
Charles Oakley (Treasurer)  
David McKee (Secretary)  
Simon Graham  
Marian Byrne

### Director

Jon Parsons

### Bank

Barclays Bank, 51 Mosley Street, Manchester, M60 2AU

### Independent Examiner

Rob Layton, Laytons Chartered Accountants, 6 Manchester Road, Buxton, SK17 6SB

### Governance

Ark Housing Trust is a Charitable Incorporated Organisation (CIO), has a founding constitution, and is governed by a board of trustees. Trustees are selected and appointed based on their skills, experience and availability to fulfil the roles for which they are appointed. Upon election to the board, trustees are provided with a detailed information pack, and offered the opportunity to tour a selection of Ark properties, meeting some of Ark's clients.

The board meets regularly and takes overall responsibility for all governance decisions. This includes identifying and regularly reviewing the major financial risks the charity faces, and ensuring those risks are managed appropriately.

The board appoints and oversees a director, who is responsible for the operational day-to-day running of the charity.

### Risk Management

The trustees consider the major risks to which the charity is exposed, and determine policies and procedures to mitigate those risks.

The key risks identified during this period were:

- Potential conflicts of interest on the board – these have been reviewed, and all current conflicts of interest are detailed and managed appropriately by the board.
- Operational risk to Ark staff – the board are satisfied that appropriate safety measures are taken by staff when in direct contact with clients.

- Operational Risk to Ark support – the board acknowledge that support staff fulfil a vital function delivering support to Ark residents, and that during the year there have been periods when the level of support has been impacted by staff shortages. The board are assured that recruitment to limit this impact is a priority for the director.
- Reputational Risk caused by unprofessional behaviour of staff – the board acknowledge that unprofessional actions by a staff member had a detrimental effect on Ark's reputation in one area with both the police and the council. The board have reviewed with the director the disciplinary actions taken against the staff member. The director acknowledges that he applied the disciplinary policy leniently, and that this negatively contributed to Ark's reputation. The board are assured that any such future disciplinary action will be handled in a way that minimises the risk to the organisation.
- Financial risk caused by room vacancies – the board are assured that the supply of accommodation does not exceed the demand, in the different geographical areas we are operating.
- Financial risk caused by a change in Government policy – in the short-term there is minimal threat of a significant change in policy that may impact funding, in the longer term reserves are being established to help mitigate against this risk.

#### Objectives and Activities for the Public Benefit

The objects of the charity are:

to prevent or relieve poverty and to promote and protect good health of people over the age of 16 particularly amongst people who are homeless or at risk of homelessness and who have mental health or addiction issues or who have experienced domestic abuse, by the provision of social housing and support and such other services as shall be thought fit.

The charity carries out these objects by:

- providing housing specifically targeting people who are homeless or at risk of homelessness, for example those who are refused accommodation by a private landlord or council.
- providing limited support to those housed, in the form of support with basic health & welfare needs, for example by supporting them to attend appointments, providing basic advice around managing money, hygiene, cooking etc.
- Providing limited support to those housed, in the form of signposting to various local services they may benefit from.
- providing limited support to those housed when it becomes time for them to move on to independent living.

#### History

Ark Housing Trust has been providing supported housing to vulnerable adults since 2016. It started with 13 units of accommodation across two registered houses of multiple occupancy (HMO) in Matlock, Derbyshire, followed by 42 units of accommodation across nine HMO's in Buxton, Derbyshire.

Its model is to lease HMO properties from landlords at the local housing authority rate per room. Ark handle all property management and maintenance, guaranteeing the landlord a reliable income with no expenses. The majority of funding is provided through the statutory allowances paid by the government.

Within our charity's purpose we have the following objectives:

1. To provide accommodation and support to vulnerable people aged 16 and over
2. To promote physical and mental wellbeing
3. To promote a therapeutic approach to addiction and mental health

4. To prevent the cycle of homelessness and maintain accommodation effectively
5. To support clients in making a positive contribution including crime prevention

Our support workers meet regularly and engage with the many different issues that are facing our vulnerable clients – issues of addiction, mental health, ex-offenders, risk of homelessness. The support Ark provides encourages our clients to:

- access all the services they are entitled to
- engage with other clients to collaboratively work towards supporting one another
- identify their interests and talents, and access appropriate community groups to nurture and develop their self-esteem and build a positive self-image

Our hope is to see vulnerable adults taking positive steps towards actively engaging with their communities, and over time playing as full a part of their wider communities as they are able to.

#### Specifics to Financial Year

Expansion has continued in Stoke as more properties have been leased. At the end of March 2023, 66 units of accommodation were online, with further units expected in the coming months. Buxton has continued at 51 units. After much discussion, it was decided to release the Matlock properties to a local provider. The board consider this will be in the best interests of the residents as local support will be more effective than that which Ark is able to provide from its Buxton office. River Network has been identified as a suitable provider and as at March 2023 discussions are at an advanced stage to transfer both properties in Matlock to them.

The team of support staff in Stoke has remained stable throughout the year. However, the Buxton team has experienced a period of instability, with the loss of four support workers during the year. However, the recruitment process taking place in March 2023 has been successful in replenishing our full-time quota, leaving just a part-time position to be filled.

The board commissioned an audit of policies and procedures to ensure risks to the organisation are identified and mitigated. This audit has been carried out throughout the financial year. Policies have been reviewed and updated. A comprehensive organisational risk review has been conducted and procedures to mitigate risk are being implemented.

#### Serious Incidents

There were no serious incidents to report to the charity commission this year.

#### Looking Ahead

We continue to expand in Stoke, and are looking at potential new areas to expand into. We are also potentially releasing one or two properties, to be replaced with others more suitable.

We continue to anticipate revisiting the process of applying for registration as a Provider of Social Housing with the Regulator of Social Housing, although no timescale has been set for this.

Further strengthening of the Board of Trustees is intended.

#### Financial Review

Income in the financial year was £883,331 up from £832,242 in the previous year.

Expenditure in the financial year was £852,045 (£809,509 previous year). Of this, £489,062 (57%) was spent in the provision and maintenance of accommodation, £262,076 (31%) was spent

supporting clients, £82,089 (10%) was spent in head office costs, and £18,818 (2%) was spent on governance and compliance.

At the end of the financial year there was a balance of £126,244, compared to £94,958 in the previous financial year.

#### Reserves Policy

It is the policy of the trustees to maintain sufficient reserves:

- to avoid short-term cash flow issues,
- to enable expansion of the charity's work,
- to enable the charity to respond to any unexpected event, such as a serious incident in a property resulting in a significant loss of income for a time.

The trustees are balancing the desire to expand the work, which has short-term costs, with the need to build financial reserves to protect the charity. This is a work in progress, with projected reserves in excess of £70,000 at 31<sup>st</sup> March 2024.

#### Trustees' Responsibility in relation to the Financial Statements

The Trustees are responsible for preparing the Trustees' Report and financial statements in accordance with the applicable law and United Kingdom Accounting Standards. The trustees have decided to prepare accounts on an accrual basis which will therefore give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any departures disclosed and examined in the financial statements;
- Prepare the financial statements on the ongoing concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

Approved by the trustees on 20<sup>th</sup> November 2023 and signed on their behalf by:

Signed:  \_\_\_\_\_

Date: 20<sup>th</sup> November 2023

Phil Delight, Chair of Trustees, Ark Housing Trust

# ARK HOUSING TRUST

## Income and Expenditure Account

### 31 March 2023

	2022-23		2021-22	
	£		£	
<u>Income</u>				
Enhanced Housing Benefit	800,146		745,758	
Client Contribution	53,330		56,786	
Fundraising	29,809		29,699	
Interest	46	883,331	0	832,242
<u>Expenditure</u>				
<u>Provision of Client Accommodation</u>				
Void Property Rentals	64,559		41,475	
Council Tax	36,939		33,965	
Utilities and Water	118,910		79,279	
Repairs	178,169		202,625	
Cleaning	35,047		34,911	
Insurance	13,073		11,121	
Sky and WIFI	14,179		15,034	
Client Debt Write off	28,186	489,062	41,466	459,877
<u>Client Management &amp; Support</u>				
Lettings Management	151,691		142,735	
Support Workers and Coordination	75,845		70,785	
Lettings Administrative Support	15,722		14,974	
Lettings Directors Remuneration	18,818	262,076	17,106	245,600
<u>Head Office Costs</u>				
Office Rent	13,987		13,488	
Office Costs	30,325		39,183	
Office Council Tax	184		480	
Head Office Directors Remuneration	18,817		17,106	
Legal Fees	1,392		944	
Accountancy Fees	1,662		750	
Head Office Administrative Support	15,722	82,089	14,974	86,926
<u>Governance</u>				
Governance Directors Remuneration		18,818		17,106
<u>Total Expenditure</u>		852,045		809,509
<u>Increase to Reserves</u>		31,286		22,734

**ARK HOUSING TRUST**  
**Statement of Assets & Liabilities**  
**31 March 2023**

	2022-23		2021-22
	£		£
<u>Current Assets</u>			
Debtors	57,276		50,985
Petty Cash	937		1,238
Reserve Account	24		0
Bank Balance	70,855	129,092	45,677
	<u>129,092</u>		<u>97,900</u>
<u>Current Liabilities</u>			
Accruals	2,848		2,942
	<u>2,848</u>		<u>2,942</u>
<u>Total Current Assets less Total Current Liabilities</u>	<u>126,244</u>		<u>94,958</u>
<u>Capital Account</u>			
Balance B/Fwd.	94,958		72,224
Increase to Reserves	31,286		22,734
	<u>126,244</u>		<u>94,958</u>

**Chartered Accountants' Report to the Trustees  
on the Unaudited Financial Information of  
Ark Housing Trust**

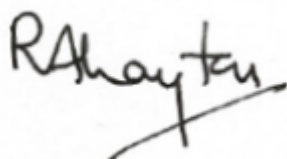
We have prepared for your approval the financial information of Ark Housing Trust for the period ended 31st March 2023 which comprises the income and expenditure account and the statement of assets and liabilities from the accounting records and information and explanations you have given us.

As a practicing member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Trustees of Ark Housing Trust, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial information of the Trust and state those matters that we have agreed to state to you in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ark Housing Trust and its Trustees as a body for our work or for this report.

You have approved the financial information for the period to 31st March 2023 and have acknowledged your responsibility for it, for the appropriateness of the financial reporting framework adopted and for providing all information and explanations necessary of its compilation.

We have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial information.



**Laytons**  
Chartered Accountants  
6 Manchester Road  
Buxton  
Derbyshire  
SK17 6SB

Date: 10<sup>th</sup> August 2023



**ARK HOUSING TRUST**  
**YEAR ENDED 31 MARCH 2023**

**Notes to the Financial Statements**

**1 ACCOUNTING POLICIES**

Charity information

Ark Housing Trust CIO Project is a Charitable Incorporated Organisation.

**1.1 Accounting convention**

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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 (FRS102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**1.2 Going concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

**1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset

### **1.5 Tangible fixed assets**

Under advice from our accountants, the fixed assets were recognised as having no resale value, and the previous amount shown was written off.

### **1.6 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### **1.7 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Basic financial assets*

Basic financial assets which include debtors and cash and bank balances, are initially measured at (transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

## **2. UNRESTRICTED DONATIONS**

Incomes derived from housing benefits are for the provision of housing and associated support to vulnerable tenants as are contributions from tenants and income from fundraising. In the opinion of

the Trustees, these are unrestricted donations.

### **3. UNRESTRICTED EXPENDITURES**

Unrestricted expenditures are incurred for the provision of housing and associated support.

### **4. EMPLOYEES**

The average number of employees during the year was 12 (2022 - 11)

### **5. PAID TRUSTEES**

There were no paid Trustees during the year (2022 - NIL). All Trustees work on a voluntary basis.

### **6. GEOGRAPHICAL ACTIVITY**

All activity takes place within the UK.

### **7. TRANSACTIONS WITH TRUSTEES**

In the year to 31-3-23 the sum of £202,973 (2022 £213,453) was paid to Jazeta Limited (a company in the control of Simon Graham who was a Trustee for the whole year) and is included in various account headings but mainly the amounts shown for property leases.

In the year to 31-3-23 the sum of £185,788 (2022 £187,781) was paid to NJOY Limited (a company associated with Simon Graham) and is included in various account headings but mainly the amounts shown for property leases.

In the year to 31-3-23 the sum of £76,897 (2022 £60,416) was paid to SJ Holdings & Investments Limited (a company associated with Simon Graham) and is included in various account headings but mainly the amounts shown for property leases.

### **8. CONTINGENT LIABILITIES**

In the opinion of the Directors there are no outstanding contingent liabilities.

### **9. POST BALANCE SHEET EVENTS**

In the opinion of the Directors there are no post balance sheet events that have any bearing on these Financial Statements.

### **10. ACCRUALS AND PREPAYMENTS**

Where necessary provisions have been made in line with generally accepted accounting principles.