

# ARK UK PROGRAMMES

England & Wales · Charity number 1137932

## Details

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**Other names** ARK SCHOOLS, ASSEMBLY, MATHEMATICS MASTERY

**Status** Registered

**Legal form** Charitable company

**Company number** [05932797](#)

**Registered** 2010-09-09

**Register** [View on the Charity Commission register](#)

## Contact

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**Website** [www.arkonline.org](http://www.arkonline.org)

## Activities

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**Objects:** TO ADVANCE THE EDUCATION OF THE PUBLIC IN ANY PART OF THE WORLD AS THE DIRECTORS MAY IN THEIR ABSOLUTE DISCRETION THINK FIT.

**Activities:** Ark UK Programmes has the principal objective of advancing the education of the public. It acts as a 'seed-bed' for creating and testing new Ark programmes and supporting other ventures to launch and scale.

## Classification

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- **How:** Makes Grants To Organisations, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Children/young People

## Geography

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- **Area of benefit:** THE WORLD
- Northern Ireland
- Throughout England

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-08-31	£6,240,000	£17,722,000	£9,494,000	76
2023-08-31	£18,387,000	£7,829,000	£20,392,000	76
2022-08-31	£5,734,000	£5,191,000	£9,756,000	54
2021-08-31	£5,278,000	£5,859,000	£9,437,000	52
2020-08-31	£6,897,000	£6,196,000	£9,233,000	63

## Trustees

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Name	Role	Appointed
Jacqueline Russell		2026-02-01
LORD STANLEY FINK		
Lucy Heller		2012-05-11

**ARK UK PROGRAMMES**

England & Wales - Charity number 1137932

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# Accounts

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# Ark UK Programmes

Annual Report and Financial Statements

For the year ended 31 August 2024

Company limited by guarantee registration number 05932797 (England and Wales)

Charity registration number 1137932

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## Reference and administrative details

<b>Trustees</b>	Lord Fink Lucy Heller Katie Oliver
<b>Company Secretary</b>	Kathryn Godfrey
<b>Senior Management</b>	Lucy Heller, Chief Executive Katie Oliver, Director of Ark Ventures
<b>Registered Office</b>	1EdCity EdCity Walk London W12 7TF
<b>Company registration number</b>	05932797
<b>Charity registration number</b>	1137932
<b>Auditor</b>	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank plc 95 George Street Croydon CR9 2NS
<b>Solicitor</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
<b>Investment manager</b>	JP Morgan International Bank 25 Bank Street Canary Wharf London E14 5JP

## Trustees' report including Strategic Report

Year ended 31 August 2024

The trustees, who are also directors of Ark UK Programmes for the purposes of the Companies Act, are pleased to present their report together with the audited financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 29 of the attached financial statements and comply with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

### **Objectives and principal activities**

Ark UK Programmes has the principal objective of advancing the education of the public. It provides a home to mission-aligned organisations, helping them to grow into sustainable entities, often resulting in them becoming independent organisations. In 2023/24, the charity continued to incubate two Ark ventures: Ark Curriculum Plus (AC+), and Ark Start. The contribution made by these ventures to achieve the objectives of Ark UK Programmes is described from page 5.

### **Organisation**

Ark UK Programmes is a company limited by guarantee (Company No. 05932797) and a registered charity in England and Wales (Charity No. 1137932). The charity is governed by its Memorandum and Articles of Association. It is a fully owned subsidiary of Absolute Return for Kids (ARK) (referred to throughout as 'Ark', charity registration number 1095322, company registration number 04589451), a charity established to improve the life chances of children. One of the directors of Ark UK Programmes, Lord Fink, is also a director of Ark. The Chief Executive of Ark UK Programmes was also the Chief Executive of Ark during the year.

In furtherance of its objects, Ark UK Programmes works closely with Ark Schools, a network of 39 schools. Lord Fink and Lucy Heller are also directors of Ark Schools.

The board of trustees, which can have up to ten members, administers the company. The activities of the charity, as determined by the board of trustees, are carried out under the direction of the Chief Executive.

## Trustees' report including Strategic Report

Year ended 31 August 2024

### Trustees

The trustees are also directors of Ark UK Programmes for the purposes of company law.

The following individuals served as directors during the financial year and up to the date these financial statements were approved:

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Lord Fink	
Lucy Heller	
Katie Oliver	Appointed 12 October 2023
Michael Clark	Resigned 1 November 2023

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All directors served for the full year, except where indicated above.

Lord Fink did not have any beneficial interest in the organisation, nor did he receive any remuneration during the period. Lucy Heller and Katie Oliver received remuneration from Ark for their respective roles as Chief Executive and Director of Ark Ventures (note 8).

New trustees may be appointed either by the board or by means of an ordinary resolution of the charity. On agreeing to become a trustee of the charitable company, the trustees are briefed by their co-directors on the history of the charitable company, day-to-day management, the responsibilities of trustees, current objectives, and future plans. The trustees are also encouraged to attend any courses relevant to their role, and to keep up to date with changes in legislation.

### Key management personnel

The trustees consider the board of trustees, and the senior management team to comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the charity on a day-to-day basis. The Chief Executive and Director of Ark Ventures make up the senior management team and are remunerated by Ark.

Ark UK Programmes' key management salaries are set on appointment and reviewed annually in accordance with the pay review procedures operated by the parent organisation, Ark. Pay and benefits for the Chief Executive are determined by the Chair of the Ark Board in consultation with other Board members and the Advisor to the Board. The Advisor to the Board, who is an employee of Ark and has delegated authority from the Ark Board, will review and approve all pay proposals for direct reports to the Chief Executive. The Director of Ark Ventures has overall oversight of all other Ark UK Programmes salaries.

## Trustees' report including Strategic Report

Year ended 31 August 2024

### Risk management

Ark UK Programmes' management and trustees have reviewed and assessed the major risks to which the charity is exposed, and systems have been established to identify and manage those risks. Business plans for new ventures address the risks and mitigations and steering groups or shadow boards have been set up for the individual ventures. In addition, the Ark Finance and Risk Committee (FRC) formally reviews the Risk Register.

The key risks identified to date and mitigations are as follows:

- Managing additional competitive pressures, particularly for AC+. To mitigate the risk of this, a full strategy review has taken place.
- Over-reliance on individual funders. To mitigate this risk, programme commitments are limited to available funds and pledges. The pipeline of potential funders is in continuous development.
- Ark Start fails to deliver impact within its current funding parameters. To mitigate this risk, communication with funders and stakeholders is continuing. This is combined with an increased focus on impact measurement and evaluation.
- Given the age and vulnerability of the children accessing Ark Start nurseries, there is a heightened risk of a health and safety issue occurring on site. This risk is mitigated through the regular on-site monitoring of compliance and routines as well as risk assessments by the senior management team.
- Safeguarding incident involving Ark Start. Safeguarding policies and procedures are in place, including a full programme of training for nursery staff.
- The effect of increasing costs, as a result of inflation, especially in staffing. Salary budgets are reviewed and controlled as part of the annual budget setting process. Any in year increases in salaries or new positions are subject to strict review and approval processes.
- Loss of key staff. Teams have been strengthened through the development of recruitment and retention strategies, including succession plans and the introduction of a flexible working policy.
- Financial instrument risks. Ark invests liquid funds in a portfolio that includes hedge fund investments. The charity engages professionals to manage the investment portfolios and ensures that they are suitably diversified and consistent with the trustees' investment strategy.

## Trustees' report including Strategic Report

Year ended 31 August 2024

### **Achievements, performance, and future plans**

Over the years, Ark's ventures have been wide-ranging: from subject curricula and the creation of a new model for early years education, to STEM-focused campaigns and solutions that address challenges in other sectors like health and social care. Both our school-inspired ventures and our broader projects have been integral to our mission, but as we continue to grow, we want to ensure that we do not lose focus by taking on too many projects.

Our approach has always been to incubate great ideas and then allow individual organisations to flourish independently. In 2023, we decided that our incubation activity had reached a point where it had sufficient scale to support the team to thrive as an independent charity. The operations within Ark were discontinued and a new organisation – Purposeful Ventures – was set-up as an independent charity in November 2023. Led by Michael Clark, the former Deputy CEO of Ark, Purposeful Ventures focuses on creating a fairer society, where all young people thrive. The new organisation works closely with Ark and other partners to help tackle a wider range of challenges facing families, children and young people – from incubating a national network of baby banks to supporting postgraduate careers in STEM. Lucy Heller, Ark's Chief Executive, is a Trustee of Purposeful Ventures.

Ark will continue to innovate, taking the lessons we learn from our frontline experience in schools, and sharing these with the wider system. Most immediately for Ark UK Programmes, this will be with the continuing development of Ark Curriculum Plus and Ark Start. Below is a summary of activity for all the ventures supported by Ark UK Programmes through the year.

## Trustees' report including Strategic Report

Year ended 31 August 2024

### **Achievements, performance, and future plans** (continued)

#### **Ark Start**

Ark Start is our growing nursery network providing high quality, affordable early education, with a focus on working with parents to improve the home learning environment for pre-school children.

Ark Start's flexible, teacher-led model aims to create an exemplar group of nurseries that will accelerate outcomes for the most disadvantaged children and transform the funding of early years so that the pupils who need the most support attract the most funding.

#### *Achievements and performance:*

- Ark Start's first two nurseries, which opened in October 2020 (Ark Start John Archer in Clapham Junction) and March 2021 (Ark Start Oval in East Croydon), are now fully established, offering funded and fee-paying childcare from 9 months.
- Ark Start has opened three more nurseries between September and November 2024 (Ark Start St Clement in Holland Park, Ark Start Globe in Elephant & Castle and Ark Start Brunel in North Kensington).
- Ark Start has developed a growing coalition of partners advocating for increased funding in disadvantaged areas. We are particularly pleased that the Secretary of State for Education made her first ministerial visit to Ark Start Oval.
- Ark Start has rolled out the new funding entitlements, with 93 percent of children accessing funded places in the Summer Term of 2023/24, with no requirements for additional fees.
- Our educational evaluation this year shows that 88 percent of children who attended Ark Start achieved a 'Good Level of Development' (GLD) in primary school.

#### *Future plans:*

In 2024/25, Ark Start plans to:

- Open five new nurseries, with an aim to open a total of twelve nurseries by 2027.
- Build strategic partnerships to support the longer-term expansion of Ark Start.
- Work with a coalition of partners to continue to influence early years policy within the Department for Education (DfE) and across the key political parties.

## Trustees' report including Strategic Report

Year ended 31 August 2024

### **Achievements, performance, and future plans** (continued)

#### ***Ark Curriculum Plus***

Ark Curriculum Plus (AC+) was formed in 2019 following the merger of Mathematics Mastery, established in 2012, and English Mastery, established in 2014. It has since launched new programmes in Science, History and Geography.

AC+ partners with schools to achieve subject excellence, empowering teachers to ensure that every child has the subject knowledge to succeed. Schools follow a five-step improvement process, with support from a subject expert at each stage. Teachers are given all the ingredients they need to ensure every child can access an ambitious curriculum, including comprehensive research-based curriculum and assessment resources, and integrated Continuing Professional Development (CPD).

#### *Achievements and performance:*

AC+ continues to focus on higher intensity programmes that we know are needed to enable more significant transformation in schools. This year, we:

- Had the greatest impact in schools, helping a high proportion of inexperienced or non-specialist teachers, reach proficiency as quickly as possible.
- Continued to grow our reach, with around 300,000 children in more than 700 schools learning with an AC+ programme.
- Launched a full Science Mastery 11-16 programme, building on the existing KS3 programme.
- Introduced higher intensity support for Geography Mastery KS3, in response to feedback in 2022/23.
- Continued the scale up of the Maths Mastery Primary programme, with support from the Education Endowment Foundation (EEF) managed DfE accelerator fund. 135 primary schools have since started teaching Maths Mastery with an 80 percent subsidy from the government.
- Started a two-year EEF evaluation of KS2 maths.

#### *Future plans:*

AC+'s priorities for 2024/25 are to:

- Continue to create, maintain, and deliver programmes that have a high impact on pupil progress and attainment, evidenced by impact studies and data.
- Launch our KS2 English primary programme, in pilot since 2021, so that it is available to schools nationally.

## Trustees' report including Strategic Report

Year ended 31 August 2024

### **Achievements, performance, and future plans** (continued)

#### **Ark Curriculum Plus** (continued)

##### *Future plans (continued):*

- Relaunch our maths KS3 programme, bringing it up to date with the best current understanding of how to support all teachers to teach the most effective maths lessons.
- Manage a smooth transition to a new digital interface for schools inside and outside of Ark – laying the foundation for high impact digital innovation to improve teachers support.
- Amplify the voices of subject leaders in AC+ and across Ark in order to share more high impact insights on how to improve subject teaching with the wider sector.
- Further professionalise product development processes within AC+ and provide even more rigorous evidence for decision making and to maximise impact.

#### **Legacy ventures**

In October 2023, two of Ark UK Programmes' legacy ventures transferred their operations:

- The **Martingale Postgraduate Foundation** joined the new ventures spin out, Purposeful Ventures;
- The **Science Technology Engineering and Maths (STEM) Excellence Portfolio** also joined Purposeful Ventures.

These entities are therefore reported within discontinued operations (see note 21).

## Trustees' report including Strategic Report

Year ended 31 August 2024

### Financial review

Total Ark UK Programmes income during the year was £6.2m (2022/23 – £18.4m), which is made up of programme income (grants and donations, programme fees, and other income from activities less endowment income). The split of programme income between the ventures was as follows:

- 58% (2022/23 – 19%) to AC+
- 42% (2022/23 – 13%) to Ark Start
- Nil% (2022/23 – 36%) to Martingale Foundation
- Nil% (2022/23 – 32%) to STEM Excellence Portfolio

The principal funding sources for the year have been grants to ventures and school payments to AC+. All expenditure has supported the charity's key objectives, as described in the review of performance above.

The net movement in funds for the year was a loss of £10.9m (2022/23 – surplus £10.6m), primarily due to £10.3m of restricted grants received in 2022/23 for Martingale and STEM Excellence Portfolio that were donated to Purposeful Ventures in 2023/24 to allow that work to continue.

Included in the result was a gain of £0.6m (2022/23 – gain of £0.1m) on the endowments held as investments for Ark Schools.

The charity had net assets at 31 August 2024 of £9.5m (2022/23 – £20.4m), comprising £5.4m (2022/23 – £5.1m) of endowment funds, £4.1m (2022/23 – £15.2m) of restricted funds, and £42k (2022/23 – £45k) of unrestricted funds (the free reserves of the charity). Given the programme-related nature of the charity's activities, which are mainly funded via restricted funds, the trustees consider the level of free reserves to be satisfactory.

The significant level of funding in 2022/23 was driven by securing forward funding on behalf of the STEM Excellence Portfolio and Martingale Foundation prior to their spin-off.

### Reserves Policy

New Ark ventures are incubated only when external funding has been secured, or a funding commitment has been made by Ark. For this reason, the charity's unrestricted reserve levels are expected to remain below £100k, with the majority of funds being restricted to the individual ventures. The unrestricted funds balance at 31 August 2024 was £42k, sufficient to fund more than 12-months' unrestricted expenditure. Within each of the restricted fund balances, the charity will aim to hold sufficient funds to cover three to six months of core programme operating costs.

Ark UK Programmes has taken all necessary steps to reduce both the operational and financial impact of the post pandemic environment and other cost pressures due to the wider economic challenges.

## Trustees' report including Strategic Report

Year ended 31 August 2024

### **Reserves Policy (continued)**

Costs have been closely monitored to ensure that unrestricted reserves remain sufficient to meet financial commitments and obligations.

### **Investment Policy**

As at 31 August 2024, Ark UK Programmes had a portfolio of investments with a market value of £5.5m (2022/23 – £5.2m).

There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and considers income requirements, the risk profile, and the investment manager's view of the market prospects in the medium term. The overall investment policy is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five-year period.

Financial derivative products are used to ameliorate the risk associated with holding investments in foreign currencies. A trustee and management meet with the investment managers at least annually to review the performance of the portfolio and the investment strategy. The trustees are satisfied that their investment policy is being achieved.

### **Public Benefit**

Ark UK Programmes exists to advance the education of the public. The trustees have paid due regard to the Charity Commission's public benefit guidance and are satisfied that the charity complies with Section 4 of the Charities Act 2011. The sections at the beginning of this trustees' report dealing with objectives and achievements explain in detail the activities of the charity and how the public, specifically children, benefit from its work.

### **Approach to fundraising**

Ark fundraises from a defined list of individuals, companies, and charitable trusts and foundations. This list is carefully considered, and approaches are only made to those we already have a connection to, or where we think there would be an interest in Ark's work. Ark's network of schools conducts their own fundraising and may use fundraising platforms to promote specific school campaigns, including Just Giving.

Ark's fundraising is led by a small team of professional fundraisers and support staff employed by Ark. We do not outsource fundraising activities. Our activity is based on individual relationships with donors. Donor data is handled with care – all information is held on a secure database and files managed by Ark.

Ark is a paid member of the Fundraising Regulator, and we comply with the advice and guidance set by the body. We have not received any fundraising complaints.

## Trustees' report including Strategic Report

Year ended 31 August 2024

### Statement of trustees' responsibilities

The trustees (who are also directors of Ark UK Programmes for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 income and expenditure of the charitable company 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 in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper 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. 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.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## Trustees' report including Strategic Report Year ended 31 August 2024

### Statement of trustees' responsibilities (continued)

The trustees are responsible for the maintenance and integrity of the company and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Lucy Heller'.

Lucy Heller

Trustee

Date: 29 April 2025

# Independent auditor's report to the member of Ark UK Programmes

Year ended 31 August 2024

## Opinion

We have audited the financial statements of Ark UK Programmes (the 'charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies, and the notes to the financial statements. 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 August 2024 and of its 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.

## 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.

# Independent auditor's report to the member of Ark UK Programmes

Year ended 31 August 2024

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

# Independent auditor's report to the member of Ark UK Programmes

Year ended 31 August 2024

## Opinions on other matters prescribed by the Companies Act 2006 (continued)

- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company 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 trustees 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

# Independent auditor's report to the member of Ark UK Programmes

Year ended 31 August 2024

## **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 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, data protection legislation and employment legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

# Independent auditor's report to the member of Ark UK Programmes

Year ended 31 August 2024

## **Auditor's responsibilities for the audit of the financial statements** (continued)

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ used data analytics to investigate the rationale behind any significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of meetings of those charged with governance;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

# Independent auditor's report to the member of Ark UK Programmes

Year ended 31 August 2024

## **Auditor's responsibilities for the audit of the financial statements** (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 member, 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 charitable company's member 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 and the charitable company's member as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel, Senior Statutory Auditor  
For and on behalf of Buzzacott Audit LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

02 May 2025

## Statement of financial activities - Year ended 31 August 2024

	Notes	Un- restricted £'000	Restricted £'000	Endowments £'000	Year ended 31 August 2024 Total £'000	Year ended 31 August 2023 Total £'000
<b>Income from:</b>						
Donations and legacies:						
Grants and donations	2a	-	3,291	-	3,291	2,991
Charitable activities						
Programme fees	2b	-	2,793	-	2,793	2,777
Other income	2b	-	45	-	45	127
Investments	3	-	111	-	111	99
Continuing operations		-	6,240	-	6,240	5,994
Discontinued operations	21	-	-	-	-	12,393
<b>Total income</b>	6	-	6,240	-	6,240	18,387
<b>Expenditure on:</b>						
Raising funds						
Investment management fees		-	-	54	54	56
Interest on finance lease		-	-	1	1	1
Charitable activities						
Support to programmes	4,5	3	6,082	-	6,085	5,215
Grants from endowments	4	-	-	300	300	950
Continuing operations		3	6,082	355	6,440	6,222
Discontinued operations	21	-	11,282	-	11,282	1,607
<b>Total expenditure</b>	6	3	17,364	355	17,722	7,829
Net (expenditure) income before gains on investments		(3)	(11,124)	(355)	(11,482)	10,558
Gains on investments	9, 10	-	-	584	584	78
Net (expenditure) income and net movement in funds		(3)	(11,124)	229	(10,898)	10,636
<b>Reconciliation of funds</b>						
<b>Funds brought forward at 1 September 2023</b>		45	15,221	5,126	20,392	9,756
<b>Funds carried forward at 31 August 2024</b>	6	42	4,097	5,355	9,494	20,392

There were no recognised gains and losses in the period other than those stated above.

## Statement of financial activities - Year ended 31 August 2024

### *Income and expenditure account:*

	Continuing operations 2024 £'000	Discontinued operations 2024 £'000	Year ended 2024 £'000	Continuing operations 2023 £'000	Discontinued operations* 2023 £'000	Year ended 2023 £'000
Total income	6,240	-	<b>6,240</b>	5,994	12,393	18,387
Total expenditure	(6,085)	(11,282)	<b>(17,367)</b>	(5,215)	(1,607)	(6,822)
<b>Net (expenditure) income for the year</b>	<b>155</b>	<b>(11,282)</b>	<b>(11,127)</b>	779	10,786	11,565

The income and expenditure account above excludes the movement on the endowments fund. It is stated before losses/gains on investments and transfers.

The summary income and expenditure account is derived from the statement of financial activities on the previous page which, together with the notes to the financial statements on pages 24 to 45, provides full information on the movements during the year on all the funds of the charity.

Total income of £6,240k (2022/23 – £18,387k) comprises £nil (2022/23 – £7k) in relation to unrestricted funds and £6,240k (2022/23 – £18,380k) in relation to restricted funds of which £nil (2022/23 - £12,393k) relates to discontinued operations. A detailed analysis of income and expenditure by source is provided in the statement of financial activities and the notes to the financial statements.

Net expenditure for the year of £11,127k (2022/23 – £11,565k net income) comprises net expenditure of £3k (2022/23 – £7k net income) in relation to unrestricted funds and net expenditure of £11,124k (2022/23 – £11,558k net income) in relation to restricted funds.

£11,282k of net expenditure (2022/23 - £10,786k net income) relates to discontinued operations, as shown in the statement of financial activities and includes the one-off transfer in 2023/24 of funds to Purposeful Ventures for Martingale Foundation and STEM Excellence Portfolio, all of which was received in income in 2022/23. MESME was included as a discontinued operation in 2022/23.

## Balance sheet

31 August 2024

	Notes	2024 £'000	2023 £'000
<b>Fixed assets</b>			
Investment property	9	642	642
Investment assets	10	5,527	5,193
		<b>6,169</b>	<b>5,835</b>
<b>Current assets</b>			
Debtors	11	4,118	14,402
Cash at bank and in hand		1,961	3,118
		<b>6,079</b>	<b>17,520</b>
<b>Creditors: amounts due within one year</b>	12	<b>(2,735)</b>	(2,946)
<b>Net current assets</b>		<b>3,344</b>	<b>14,574</b>
<b>Total assets less current liabilities</b>		<b>9,513</b>	<b>20,409</b>
<b>Creditors: amounts due after more than one year</b>	13	<b>(19)</b>	(17)
<b>Net assets</b>		<b>9,494</b>	<b>20,392</b>
<b>The funds of the charity</b>			
Unrestricted general funds		42	45
Restricted funds		4,097	15,221
Endowment funds		5,355	5,126
<b>Total funds</b>	6	<b>9,494</b>	<b>20,392</b>

Approved by the board of trustees and signed on its behalf by:



Lucy Heller

Trustee

Date: 29 April 2025

Company registration no: 05932797

## Statement of cash flows

Year to 31 August 2024

	Notes	2024 £'000	2023 £'000
<b>Cash flows from operating activities:</b>			
Net cash (used in) provided by operating activities	A	<b>(1,238)</b>	2,324
<b>Cash (used in) provided by operating activities</b>		<b>(1,238)</b>	2,324
<b>Cash flows from investing activities:</b>			
Investment income		112	99
Proceeds from the disposal of investments		1,909	2,571
Transfer of endowment funds		(300)	(950)
Purchase of investments		(1,615)	(1,700)
<b>Net cash provided by investing activities</b>		<b>106</b>	20
<b>Change in cash and cash equivalents in the year</b>		<b>(1,132)</b>	2,344
<b>Cash and cash equivalents at 1 September</b>	B	<b>3,124</b>	740
<b>Change in cash and cash equivalents due to exchange rate movements</b>		-	40
<b>Cash and cash equivalents at 31 August</b>	B, C	<b>1,992</b>	3,124

## Notes to the statement of cash flows for the year to 31 August 2024

**A Reconciliation of net movement in funds to net cash (used in) provided by operating activities**

	2024 £'000	2023 £'000
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(10,898)</b>	10,636
<b>Adjustments for:</b>		
(Gains) losses on investments	(584)	(78)
Fair value movement on investment property	-	(15)
Expenditure from endowments	300	950
Investment income	(112)	(99)
Decrease (increase) in debtors	10,284	(10,565)
(Decrease) increase in creditors (excluding endowment creditors)	(228)	1,495
<b>Net cash (used in) provided by operating activities</b>	<b>(1,238)</b>	2,324

## Statement of cash flows

Year to 31 August 2024

### Notes to the statement of cash flows for the year to 31 August 2024 (continued)

#### B Analysis of cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank and in hand	1,961	3,118
Cash held by investment managers	31	6
<b>Total cash and cash equivalents</b>	<b>1,992</b>	<b>3,124</b>

Cash held by investment managers relates to the endowments invested with JP Morgan. It is not available for use by Ark UK Programmes to further charitable activities.

#### C Analysis of changes in net debt

	At 1 September 2023 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 August 2024 £'000
Cash at bank and in hand	3,118	(1,157)	-	1,961
Cash held by investment managers	6	25	-	31
	3,124	(1,132)		1,992
Finance lease obligations	(17)	(2)	-	(19)
<b>Total</b>	<b>3,107</b>	<b>(1,134)</b>	<b>-</b>	<b>1,973</b>

# Notes to the financial statements

Year to 31 August 2024

## 1 Accounting policies

### *Basis of preparation*

These financial statements have been prepared for the year to 31 August 2024.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS102) (Charities SORP FRS102), the Charities Act 2011 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

### *Critical accounting estimates and areas of judgement*

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- Estimating the impact of inflation on the charity's income and expenditure, and assessing income from new sales and activities, for the purpose of preparing cash flow forecasts and budgets to assist in the assessment of going concern;
- Allocating support costs across charitable activities;
- Timing of income recognition for programme fees;
- Classification of leases as finance or operating;
- Determining the discount rate for future cash flows; and
- Measurement of fair values of the investment property.

### *Assessment of going concern*

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

## Notes to the financial statements

Year to 31 August 2024

### 1 Accounting policies (continued)

#### *Assessment of going concern (continued)*

The trustees have considered the impact of cost pressures due to the wider economic challenges. The trustees have looked at the financial position, including income, expenditure, and reserves, and have acknowledged that some areas of work continue to be challenging, for example AC+ activity in UK schools. The trustees do not consider the post-pandemic environment or other cost pressures due to wider economic challenges to be a cause for material uncertainty in respect of the ability of the charity to continue as a going concern.

A number of areas of judgement that affect items in the accounts have been identified above. In addition, the most significant areas that affect the carrying value of the assets held by the charity in the next accounting period (the year ending 31 August 2025) are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information). The trustees remain of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

In the unlikely event that the charity was unable to meet its liabilities, the parent charity, Ark, would provide the necessary financial support in the form of a grant or loan.

The trustees have therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

#### *Fund accounting*

Restricted funds are those which are to be used for a specified purpose as stipulated by the donor and agreed by the charity.

Unrestricted funds are those which the donor gives to the charity without stipulating a specific purpose. They are to be used for the furtherance of the objects of the charity in general and may be applied to specific projects at the discretion of the trustees to further the charity's purposes.

The endowment fund represents monies invested on behalf of individual Ark academies. Any returns generated on these funds can be used without restriction, but only by the academy in question, and are therefore recognised as restricted income. The initial capital can only be used with agreement of the Secretary of State for Education, unless it is spent on 'equipment, facilities, accommodation, landscaping, and signage' at the relevant academy. The Ark All Saints Academy endowment is a permanent endowment for which Ark UK Programmes has been appointed as the trustee.

All income and expenditure is shown in the Statement of Financial Activities.

## Notes to the financial statements

Year to 31 August 2024

### 1 Accounting policies (continued)

#### *Income*

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received. Where a service is provided over a period that spans more than one accounting period, a judgement is made as to the amount of income that should be accrued or deferred.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

#### *Expenditure*

Liabilities, including those relating to staff costs and redundancies, are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category.

Ark UK Programmes is registered for VAT and reclaims VAT in its business-related expenditure. Irrecoverable VAT is included in expenditure when incurred.

Costs of raising funds are those incurred in seeking donations for the charity and in publicising the work of the charity.

Expenditure on charitable activities comprises expenditure related to the direct furtherance of the charity's objectives. In the accounts of the charity, the award of a grant is recorded as charitable expenditure, and the unspent amount is held in the balance sheet as a grant creditor.

#### *Allocation of overhead and support costs*

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, payroll, and Governance costs which support the charity's programmes and activities. Governance costs are those incurred in connection with the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements.

## Notes to the financial statements

Year to 31 August 2024

### 1 Accounting policies (continued)

#### *Allocation of overhead and support costs (continued)*

Where costs cannot be directly attributed, they have been allocated to activities. The basis for the allocation of support costs to charitable activities is set out in note 5 to the financial statements.

#### *Volunteers and donated services*

With the exception of trustees, patrons and a small number of advisors who all provide their services on a voluntary basis, the charity does not rely upon volunteers or donated services in delivering services. The financial value of services donated by advisors is included as expenditure at an estimated fair value and a corresponding value of income is included as an in-kind donation.

#### *Discontinued activities*

Where a decision has been made to discontinue or terminate an activity in accordance with the definitions contained within FRS 102, income, costs, and obligations associated with the discontinuing operation are recognised within the year. The income, costs, and obligations are disclosed separately on the face of the statement of financial activities.

#### *Investments*

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

A fair value hierarchy that prioritises the inputs to valuation techniques is used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The levels of fair value hierarchy are described below:

- Level 1 (listed investments) – Unadjusted quoted process in active markets that are accessible at the measurement date for identical, unrestricted assets, or liabilities;
- Level 2 (unlisted investments) – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable either directly or indirectly; and
- Level 3 (unlisted investments) – Prices or valuation that requires inputs that are both significant to the fair value measurement and unobservable.

## Notes to the financial statements

Year to 31 August 2024

### 1 Accounting policies (continued)

#### *Investments (continued)*

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices for an identical instrument, dealer quotations, or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub-sectors.

#### *Investment Property*

Investment property is held by Ark UK Programmes to earn rentals and for capital appreciation, rather than for use in the ordinary course of business. Investment properties are measured at cost and subsequently at fair value at the reporting date. Professional advice is sought as appropriate to determine the valuation of investment property. Changes in fair values are recognised in the statement of financial activities.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised. The cost of maintenance, repairs, and minor improvements is recognised in the statement of financial activities when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the statement of financial activities.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the rate of exchange ruling at the balance sheet date.

#### *Operating lease*

Operating lease rentals are charged on a straight-line basis over the term of the lease. These are included in the Charitable Activities expenditure in the Statement of Financial Activities.

## Notes to the financial statements

Year to 31 August 2024

### 1 Accounting policies (continued)

#### *Finance lease*

A finance lease is recognised when it is determined that the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee.

At the commencement of the lease term, Ark UK Programmes recognises its rights of use and obligations under the finance lease as an asset and a liability in the balance sheet at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. Where the implicit rate cannot be determined, the charity's incremental borrowing rate is used.

Any initial direct costs are added to the amount recognised as an asset. Subsequently, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method, including updating the effective interest rate to reflect the charity's incremental cost of capital. This rate was 4.54% (2022/23 – 4.60%).

#### *Debtors*

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

#### *Cash at bank and in hand*

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

#### *Creditors and provisions*

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment when such discounting is material.

## Notes to the financial statements

Year to 31 August 2024

### 2 a. Grants and Donations

During the year, the organisation received the following grants and donations:

<b>2024</b>	Unrestricted £'000	Restricted £'000	Endowments £'000	<b>Total 2024 £'000</b>
Ark Curriculum+	-	939	-	<b>939</b>
Ark Start	-	2,352	-	<b>2,352</b>
<b>2024 total</b>	-	<b>3,291</b>	-	<b>3,291</b>

<i>2023</i>	<i>Unrestricted £'000</i>	<i>Restricted £'000</i>	<i>Endowments £'000</i>	<i>Total 2023 £'000</i>
<i>Ark Curriculum+</i>	-	793	-	793
<i>Ark Start</i>	-	2,198	-	2,198
<i>Continuing activity</i>		2,991		2,991
<i>Martingale Foundation</i>	-	6,605	-	6,605
<i>STEM Excellence Portfolio</i>	-	5,788	-	5,788
<i>Discontinued activity</i>	-	12,393	-	12,393
<b><i>2023 total</i></b>	-	<b>15,384</b>	-	<b>15,384</b>

## Notes to the financial statements

Year to 31 August 2024

## 2 b. Income from charitable activities

2024	Unrestricted £'000	Restricted £'000	Endowments £'000	Total 2024 £'000
<b>Programme fees</b>				
Ark Curriculum+	-	2,580	-	2,580
Ark Start	-	213	-	213
	-	2,793	-	2,793
<b>Other income</b>				
Ark Curriculum+	-	44	-	44
Ark Start	-	1	-	1
	-	45	-	45
<b>2024 total</b>	-	<b>2,838</b>	-	<b>2,838</b>

2023	Unrestricted £'000	Restricted £'000	Endowments £'000	Total 2023 £'000
<i>Programme fees</i>				
Ark Curriculum+	-	2,606	-	2,606
Ark Start	-	171	-	171
	-	2,777	-	2,777
<i>Other income</i>				
Ark Curriculum+	-	120	-	120
Other	7	-	-	7
	7	120	-	127
<i>2023 total</i>	7	<i>2,897</i>	-	<i>2,904</i>

## Notes to the financial statements

Year to 31 August 2024

## 3 Investment income

2024	Unrestricted £'000	Restricted £'000	Total 2024 £'000
Income and interest from listed investments	-	87	87
Income from investment property	-	24	24
<b>2024 total</b>	<b>-</b>	<b>111</b>	<b>111</b>
<i>2023</i>	<i>Unrestricted £'000</i>	<i>Restricted £'000</i>	<i>Total 2023 £'000</i>
<i>Income and interest from listed investments</i>	<i>-</i>	<i>80</i>	<i>80</i>
<i>Income from investment property</i>	<i>-</i>	<i>19</i>	<i>19</i>
<i>2023 total</i>	<i>-</i>	<i>99</i>	<i>99</i>

In 2009/10, Ark UK Programmes was given responsibility for the administration of the endowments held on behalf of individual Ark academies. These funds are invested with JP Morgan and the relationship is set out in a Deed of Gift between Ark UK Programmes, Ark, and the Secretary of State for Education. King Solomon Academy contributed an additional £750k into its endowment, which is outside of the Deed of Gift. In January 2015, Ark UK Programmes was appointed as the trustee of an endowment held under a Trust Deed for Ark All Saints Academy (formerly St Michael and All Angels Church of England Academy). The value of the endowment transferred into Ark UK Programmes was £607k.

## Notes to the financial statements

Year to 31 August 2024

## 4 Analysis of charitable expenditure

2024	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs (see note 5) £'000	Total 2024 £'000
<b>Charitable expenditure</b>				
Ark Curriculum+	3,799	19	180	3,998
Ark Start	1,604	369	87	2,060
Endowment programme (Note 6)	15	300	9	324
Unrestricted	-	-	3	3
<b>Continuing operations</b>	<b>5,418</b>	<b>688</b>	<b>279</b>	<b>6,385</b>
Martingale Foundation	714	5,426	12	6,152
Venture builder	290	4,840	-	5,130
<b>Discontinued operations</b>	<b>744</b>	<b>10,526</b>	<b>12</b>	<b>11,282</b>
<b>2024 total</b>	<b>6,162</b>	<b>11,214</b>	<b>291</b>	<b>17,667</b>

2023	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs (see note 5) £'000	Total 2023 £'000
<i>Charitable expenditure</i>				
Ark Curriculum+	3,671	-	255	3,926
Ark Start	1,181	-	84	1,265
Endowment programme (Note 6)	16	950	8	974
<i>Continuing operations</i>	<i>4,868</i>	<i>950</i>	<i>347</i>	<i>6,165</i>
Martingale Foundation	406	-	47	453
STEM Excellence Portfolio	655	-	3	658
<i>Discontinued operations</i>	<i>1,061</i>	<i>-</i>	<i>50</i>	<i>1,111</i>
<b>2023 total</b>	<b>5,929</b>	<b>950</b>	<b>397</b>	<b>7,276</b>

## Notes to the financial statements

Year to 31 August 2024

## 5 Allocation of support costs

2024	Finance £'000	HR £'000	Governance £'000	Other overheads and support staff £'000	Total 2024 £'000
Charitable expenditure					
Ark Curriculum+	-	1	3	176	<b>180</b>
Ark Start	22	8	1	56	<b>87</b>
Unrestricted	-	-	5	-	<b>5</b>
Endowment programme	5	-	1	1	<b>7</b>
<b>2024 total</b>	<b>27</b>	<b>9</b>	<b>10</b>	<b>233</b>	<b>279</b>

Finance, Governance and HR costs are allocated on the basis of time spent on each programme. Other overheads consist of the desk charge, which is allocated on the basis of the number of desks reserved for each programme, IT costs, and any remaining core costs. The allocation of support costs to activities in note 4 provides a more accurate picture of the full costs of these activities. It does not represent use of programme funds. Due to a change in allocation methods, more costs are directly allocated to venture support costs.

2023	Finance £'000	HR £'000	Governance £'000	Other overheads and support staff £'000	Total 2023 £'000
Charitable expenditure					
Ark Curriculum+	53	15	8	179	255
Ark Start	40	8	-	36	84
Endowment programme	5	-	2	1	8
Continuing operations	98	23	10	216	347
Martingale Foundation	20	7	4	16	47
STEM Excellence Portfolio	-	-	3	-	3
Discontinued operations	20	7	7	16	50
<b>2023 total</b>	<b>118</b>	<b>30</b>	<b>17</b>	<b>232</b>	<b>397</b>

## Notes to the financial statements

Year to 31 August 2024

## 6 Analysis of net movement in funds

2024	At 1 September 2023 £'000	Income £'000	Expenditure £'000	Gains and transfers £'000	At 31 August 2024 £'000
<b>Restricted funds</b>					
Ark Curriculum+	1,698	3,563	(3,998)	-	<b>1,263</b>
Ark Start	1,660	2,566	(2,060)	-	<b>2,166</b>
Ark Schools endowment interest	581	111	(24)	-	<b>668</b>
<b>Continuing operations</b>	3,939	6,240	(6,082)	-	<b>4,097</b>
Martingale Foundation	6,152	-	(6,152)	-	-
STEM Excellence Portfolio	5,130	-	(5,130)	-	-
<b>Discontinued operations</b>	11,282	-	(11,282)	-	-
<b>Total</b>	<b>15,221</b>	<b>6,240</b>	<b>(17,364)</b>	-	<b>4,097</b>
<b>Endowment funds</b>	<b>5,126</b>	-	<b>(355)</b>	<b>584</b>	<b>5,355</b>
<b>Unrestricted funds</b>					
General	45	-	(3)	-	<b>42</b>
<b>Total funds</b>	<b>20,392</b>	<b>6,240</b>	<b>(17,722)</b>	<b>584</b>	<b>9,494</b>

The restricted funds of Ark Curriculum + have arisen from grants given specifically for use by Ark Curriculum + plus fees from schools signed up to the programmes and via the DCMS.

The Ark Start restricted funds have arisen from the receipt of grant income for use specifically on the respective programmes.

In 2022/23, Martingale launched as a new post-graduate scholarship programme, whose mission is to find, fund, and support a new generation of STEM postgraduates for whom family income would otherwise be a barrier to the pursuit of academic excellence. The first cohort of Martingale Scholars took up places in September 2023. Following independence on 1 November 2023, residual funds were transferred to the new charity: Purposeful Ventures.

STEM Excellence Portfolio Restricted Funds related to funds received for the express purposes of meeting the goals of the Maths Excellence Fund and delivering the 65<sup>th</sup> International Mathematics Olympiad. Following independence on 1 November 2023, residual funds were transferred to the new charity: Purposeful Ventures.

## Notes to the financial statements

Year to 31 August 2024

**6 Analysis of net movement in funds (continued)**

The Ark Schools Endowment interest in restricted funds has arisen from dividends and interest paid out on the endowment investments held by Ark UK Programmes on behalf of individual Ark academies. The income is restricted for use by the Ark academy from whose endowment the income arose. The endowment fund represents monies invested on behalf of individual Ark academies. Any returns generated on these funds can be used without restriction, but only by the academy in question, and are therefore recognised as restricted income. The initial capital can only be used with agreement of the Secretary of State for Education, unless it is to be spent on 'equipment, facilities, accommodation, landscaping, or signage' at the relevant academy. The exception to this is the Ark All Saints Academy endowment for which Ark UK Programmes was appointed the trustee in January 2015. The principal sum of this endowment can only be spent with the permission of the Secretary of State.

At 31 August 2024, the balance of expendable endowments was £4,387k (2022/23 – £4,263k) and the balance of permanent endowments was £968k (2022/23 – £863k).

In the year, £55k expenditure was made from endowments (2022/23 – £57k); £54k for investment manager fees (2022/23 – £56k) and £1k interest on the finance lease (2022/23 – £1k, note 14). An amount of £300k was also withdrawn and transferred to Ark Schools for capital expenditure projects (2022/23 – £950k).

	At 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains and transfers £'000	At 31 August 2023 £'000
<i>2023</i>					
<i>Restricted funds</i>					
<i>Ark Curriculum+</i>	2,105	3,519	(3,926)	-	1,698
<i>Ark Start</i>	556	2,369	(1,265)	-	1,660
<i>Ark Schools endowment interest</i>	506	99	(24)	-	581
<i>Continuing operations</i>	3,167	5,987	(5,215)	-	3,939
<i>MESME</i>	496	-	(496)	-	-
<i>Martingale Foundation</i>	-	6,605	(453)	-	6,152
<i>STEM Excellence Portfolio</i>	-	5,788	(658)	-	5,130
<i>Discontinued operations</i>	496	12,393	(1,607)	-	11,282
<i>2023 total</i>	3,663	18,380	(6,822)	-	15,221
<i>Endowment funds</i>	6,055	-	(1,007)	78	5,126
<i>Unrestricted funds</i>					
<i>General</i>	38	7	-	-	45
<i>Total funds</i>	9,756	18,387	(7,829)	78	20,392

## Notes to the financial statements

Year to 31 August 2024

### 6 Analysis of net movement in funds (continued)

MESME restricted funds have arisen from the receipt of grant income to support students to achieve mathematical excellence under the Maths Circles programme following on from the success of the model established in Russia and the US. Following independence, which took place on 1 September 2022, all funds were transferred to the new charity.

### 7 Net movement in funds

Net movement in funds is stated after charging:

	2024 £'000	2023 £'000
Statutory audit fees	10	11

### 8 Staff costs and numbers

	2024 £'000	2023 £'000
Salaries and wages	3,178	3,319
Social security costs	359	371
Pension costs	314	340
	<b>3,851</b>	<b>4,030</b>

There was one redundancy and ex-gratia severance payment made in the year for £1,691 (2022/23 – nil).

The average number of staff employed during the period was:

	Headcount	
	2024	2023
Charitable activities	71	71
Support to activities	5	5
	<b>76</b>	<b>76</b>

## Notes to the financial statements

Year to 31 August 2024

**8 Staff costs and numbers** (continued)

The number of employees during the period who earned over £60,000 in the year (including benefits) was as follows:

	2024 No.	2023 No.
£60,001 - £70,000	6	6
£70,001 - £80,000	4	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	2
£110,001 - £120,000	1	2
	<b>13</b>	<b>12</b>

The pension contributions made on behalf of the above employees was £105,540 (2022/23 – £108,392).

Key management personnel of Ark UK Programmes comprise the trustees and the directors as listed on page 1. The total amount of employee benefits (including pension and social security contributions) received by key management personnel was £115,588 (2022/23 – £117,310). Current key management personnel comprise the Chief Executive and Director of Ark Ventures. They are both paid by the parent charity, Ark, by virtue of them being employees of the parent charity.

**9 Investment property**

	Land and buildings £'000	Total £'000
<b>Cost or valuation:</b>		
At 1 September 2023	642	<b>642</b>
Decrease in fair value	-	-
At 31 August 2024	<b>642</b>	<b>642</b>
Carrying amount at 31 August 2024	<b>642</b>	<b>642</b>

The long leasehold investment property is held at fair value. Completion of the property was on 20 May 2016. The trustees have performed the valuation of the property at 31 August 2024 based on publicly available information.

Included in the amount for investment property is £18,619 (2022/23 – £16,820) relating to assets held under a finance lease (note 14).

## Notes to the financial statements

Year to 31 August 2024

## 10 Investment assets

	2024 £'000	2023 £'000
Listed investments		
Market value at 1 September	5,187	6,018
Additions to investments at cost	1,615	1,700
Disposals at market value - proceeds	(1,983)	(3,179)
Net unrealised investment gain	677	648
Market value at 31 August	5,496	5,187
Cash held by investment managers for reinvestment	31	6
<b>Market value at 31 August</b>	<b>5,527</b>	<b>5,193</b>
Cost of listed investments at 31 August	4,560	4,903

The £584k investment gain reported on the statement of financial activities is comprised of a realised loss on disposals in year within the disposals row above, offset against the net unrealised investment gain reported in the unrealised investment gain row above.

All listed investments were traded on a recognised stock exchange. Listed investments held at 31 August 2024 comprised the following:

	2024 £'000	2023 £'000
Overseas equities	3,089	2,878
Fixed interest	1,883	1,677
Alternative assets	516	589
Miscellaneous/foreign exchange	8	43
	<b>5,496</b>	<b>5,187</b>

All investments are held in a portfolio of diversified funds. Accordingly, no individual holding is considered to be material when compared to the total value of the listed investment portfolio at 31 August 2024.

Foreign exchange forward contracts are used to ameliorate the risk associated with holding investments in foreign currencies. These are held by the investment managers and form part of their strategy for managing risk.

## Notes to the financial statements

Year to 31 August 2024

**10 Investment assets (continued)**

	2024 £'000	2023 £'000
<b>Unrealised gains included above:</b>		
On investments	936	284
<b>Total unrealised gains at 31 August</b>	<b>936</b>	<b>284</b>
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 September	284	387
Less: in respect to disposals in the year	(25)	(751)
Add: net unrealised gains	677	648
<b>Total unrealised gains at 31 August</b>	<b>936</b>	<b>284</b>

**11 Debtors**

	2024 £'000	2023 £'000
Trade debtors	755	839
Prepayments and other debtors	64	302
Accrued income	225	118
Amounts due from Absolute Return for Kids (Ark) (note 17)	2,516	2,536
Amounts due from Absolute Return for Kids (Ark) for Purposeful Ventures	-	10,264
Amounts due from Ark Schools	558	343
	<b>4,118</b>	<b>14,402</b>

**12 Creditors: Amounts falling due within one year**

	2024 £'000	2023 £'000
Accruals	295	317
Trade creditors	121	441
Deferred income	960	798
Amounts due to Absolute Return for Kids (Ark) (note 17)	414	451
Amounts due to Ark Schools	834	311
Taxation and social security	98	114
Other creditors	13	18
Amounts due to MESME as part of transfer	-	496
	<b>2,735</b>	<b>2,946</b>

## Notes to the financial statements

Year to 31 August 2024

### 12 Creditors: Amounts falling due within one year (continued)

Deferred income relates to programme fees for Ark Curriculum + received in advance for delivery in the following financial year. The movements in deferred income are analysed below:

	At 31 August 2023 £'000	Released from previous year £'000	Deferred in current year £'000	At 31 August 2024 £'000
Programme fees	798	(798)	960	960
<b>Total deferred income</b>	<b>798</b>	<b>(798)</b>	<b>960</b>	<b>960</b>

### 13 Creditors: Amounts falling due after more than one year

	2024 £'000	2023 £'000
Finance lease liability	19	17
	<b>19</b>	<b>17</b>

The finance lease element of the property is based on future rental payments and discounted by a long-term interest rate of 4.54% (2022/23 – 4.60%).

### 14 Finance lease

The future minimum finance lease payments are as follows:

	2024 £'000	2023 £'000
Not later than one year*	-	-
Later than one year and not later than five years	2	2
Later than five years	299	300
Total gross payments	301	302
Less: finance charges	(282)	(285)
<b>Carrying amount of liability</b>	<b>19</b>	<b>17</b>

\*Lease payments of £400 are due in no later than one year.

The finance lease relates to the investment property (note 9). There are no contingent rental, renewal, or purchase option clauses.

## Notes to the financial statements

Year to 31 August 2024

## 15 Analysis of net assets between funds

2024	Unrestrict ed General fund £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
Fund balances at 31 August 2024 are represented by:				
Investment assets	-	671	5,499	<b>6,170</b>
Current assets	111	5,906	61	<b>6,078</b>
Creditors: amounts falling due within one year	(69)	(2,480)	(186)	<b>(2,735)</b>
Creditors: amounts falling due in more than one year	-	-	(19)	<b>(19)</b>
<b>Total net assets</b>	<b>42</b>	<b>4,097</b>	<b>5,355</b>	<b>9,494</b>

2023	<i>Unrestricted General fund £'000</i>	<i>Restricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>Total £'000</i>
<i>Fund balances at 31 August 2023 are represented by:</i>				
<i>Investment assets</i>	-	580	5,255	5,835
<i>Current assets</i>	479	16,995	75	17,549
<i>Creditors: amounts falling due within one year</i>	(434)	(2,354)	(187)	(2,975)
<i>Creditors: amounts falling due in more than one year</i>	-	-	(17)	(17)
<b>Total net assets</b>	<b>45</b>	<b>15,221</b>	<b>5,126</b>	<b>20,392</b>

## 16 Trustees' remuneration and expenses

The only trustees of the company who received payment or other emoluments are disclosed in Note 8 with no expenses being reimbursed to any trustee through Ark UK Programmes during the current and prior periods.

## 17 Related party transactions

The charity is a wholly owned subsidiary of Absolute Return for Kids (Ark). Ark UK Programmes has taken advantage of the exemption available under Section 33 of FRS102 Related Party Disclosure not to disclose group transactions between the charity and its parent.

During the year, the organisation had the following transactions with Ark Schools. Ark Schools is an Ark family member, Lord Fink and Lucy Heller are also trustees of Ark Schools.

## Notes to the financial statements

Year to 31 August 2024

### 17 Related party transactions (continued)

*Income from Ark Schools and individual Ark academies:*

- £227k (2022/23 – £138k) towards the costs of the Ark Curriculum + resources and training and shared supplier accounts.

£0.7m (2022/23 – £0.7m) income was received in the year from The Education Endowment Foundation. Lucy Heller is a trustee of The Education Endowment Foundation and is also a trustee of Ark UK Programmes.

£10.3m (2022/23 - £nil) of closing reserves was granted to Purposeful Ventures when it became an independent charity on 01 November 2023. £3k (2022/23 - £nil) was paid to Purposeful Ventures for consultancy support provided. Lucy Heller is a trustee of Purposeful Ventures and is also a trustee of Ark UK Programmes.

### 18 Ultimate parent undertaking

During the year under review, the company's immediate and ultimate parent undertaking was Absolute Return for Kids (ARK). Ark is registered in England and Wales as a charitable company limited by guarantee (company registration number 04589451; charity registration number 1095322). For the period under review, Ark has included Ark UK Programmes within its group financial statements, copies of which are available at its registered office: 1EdCity, EdCity Walk, London, W12 7TF.

### 19 Taxation

Ark UK Programmes has charitable status (charity number 1137932). Given the nature of its activities, the charity will not be subject to income tax or corporation tax on income derived from its charitable activities, as it would fall within the various exemptions available to registered charities.

### 20 Post balance sheet events

The opening of three new Ark Start nurseries occurred since the year end, taking the total number of nurseries to five.

### 21 Discontinued operations

On 1 November 2023, Martingale Foundation became part of Purposeful Ventures - a newly formed charity - and was included within Ark UK Programmes accounts for the last time in full during the year ended 31 August 2024 as shown below.

The closing balance of £5,426k has been shown as a transfer out in the 2023/24 accounts on the face of the statement of financial activities.

## Notes to the financial statements

Year to 31 August 2024

**21 Discontinued operations** (continued)

On 1 November 2023, STEM Excellence Portfolio became part of Purposeful Ventures - a newly formed charity - and was included within Ark UK Programmes accounts for the last time in full during the year ended 31 August 2024 as shown below.

The closing balance of £4,840k has been shown as a transfer out in the 2023/24 accounts on the face of the statement of financial activities.

	Martingale Foundation £000	STEM Excellence Portfolio £000	<b>Total 31 August 2024 £000</b>	Martingale Foundation £000	STEM Excellence Portfolio £000	MESME £000	<b>Total 31 August 2023 £000</b>
<b>Income from:</b>							
Donations and legacies:							
Grants and donations	-	-	-	6,605	5,788	-	12,393
<b>Total income</b>	-	-	-	6,605	5,788	-	<b>12,393</b>
<b>Expenditure on:</b>							
Charitable activities							
Support to programmes	(726)	(290)	<b>(1,016)</b>	(453)	(658)	-	<b>(1,111)</b>
Donations to new charity	(5,426)	(4,840)	<b>(10,266)</b>	-	-	(496)	<b>(496)</b>
<b>Total expenditure</b>	<b>(6,152)</b>	<b>(5,130)</b>	<b>(11,282)</b>	<b>(453)</b>	<b>(658)</b>	<b>(496)</b>	<b>(1,607)</b>
Net expenditure for the year ended 31 August 2024	(6,152)	(5,130)	<b>(11,282)</b>	6,152	5,130	(496)	<b>10,786</b>
Restricted fund balance at 1 September 2023	6,152	5,130	<b>11,282</b>	-	-	496	<b>496</b>
Restricted fund balance at 31 August 2024	-	-	-	6,152	5,130	-	<b>11,282</b>

## Notes to the financial statements

Year to 31 August 2024

## 22 Comparative statement of financial activities for continuing operations

		Un- restricted £'000	Restricted £'000	Endowments £'000	Year ended 31 August 2023 Total £'000
<i>Income from:</i>					
<i>Donations and legacies:</i>					
Grants and donations	2a	-	15,384	-	15,384
<i>Charitable activities</i>					
Programme fees	2b	-	2,777	-	2,777
Other income	2b	7	120	-	127
Investments	3	-	99	-	99
Continuing operations		7	18,380	-	18,387
Discontinued operations	21	-	-	-	-
<b>Total income</b>	<b>6</b>	<b>7</b>	<b>18,380</b>	<b>-</b>	<b>18,387</b>
<i>Expenditure on:</i>					
<i>Raising funds</i>					
Investment management fees		-	-	56	56
Interest on finance lease		-	-	1	1
<i>Charitable activities</i>					
Support to programmes	4,5	-	6,326	-	6,326
Grants from endowments	4	-	-	950	950
Transfers to MESME	21	-	496	-	496
Continuing operations		-	6,822	1,007	7,829
Discontinued operations	21	-	-	-	-
<b>Total expenditure</b>	<b>6</b>	<b>-</b>	<b>6,822</b>	<b>1,007</b>	<b>7,829</b>
<b>Net income (expenditure) before gains (losses) on investments</b>		<b>7</b>	<b>11,558</b>	<b>(1,007)</b>	<b>10,558</b>
Gains (losses) on investments	9, 10	-	-	78	78
<b>Net income (expenditure) and net movement in funds</b>		<b>7</b>	<b>11,558</b>	<b>(929)</b>	<b>10,636</b>
<i>Reconciliation of funds</i>					
Funds brought forward at 1 September 2022		38	3,663	6,055	9,756
Funds carried forward at 31 August 2023	6	45	15,221	5,126	20,392

There were no recognised gains and losses in the period other than those stated above.

**ARK UK PROGRAMMES**

England & Wales - Charity number 1137932

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# Accounts

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**Ark UK Programmes**

**Annual Report and Financial  
Statements**

31 August 2023

Company limited by guarantee  
registration number 05932797  
(England and Wales)

Charity registration number 1137932



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**Reference and administrative details**

<b>Trustees</b>	Lord Fink Lucy Heller Katie Oliver
<b>Company Secretary</b>	Elizabeth Dawson
<b>Chief Executive</b>	Lucy Heller
<b>Registered Office</b>	The Yellow Building 1, Nicholas Road London W11 4AN
<b>Company registration number</b>	05932797
<b>Charity registration number</b>	1137932
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank plc 95 George Street Croydon CR9 2NS
<b>Solicitor</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
<b>Investment manager</b>	JP Morgan International Bank 25 Bank Street Canary Wharf London E14 5JP

**Trustees' report including Strategic Report** Year ended 31 August 2023

The trustees, who are also directors of Ark UK Programmes for the purposes of the Companies Act, are pleased to present their report together with the audited financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 26 of the attached financial statements and comply with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

**Objectives and principal activities**

Ark UK Programmes has the principal objective of advancing the education of the public. It provides a home to mission-aligned organisations, helping them to grow into sustainable entities, often resulting in them becoming independent organisations. In 2022/23, the charity continued to incubate four Ark ventures: Ark Curriculum Plus (AC+), Ark Start, Martingale Postgraduate Foundation and a STEM Excellence Portfolio. The contribution made by these ventures to achieve the objectives of Ark UK Programmes is described from page 4.

**Organisation**

Ark UK Programmes is a company limited by guarantee (Company No. 05932797) and a registered charity in England and Wales (Charity No. 1137932). The charity is governed by its Memorandum and Articles of Association. It is a fully owned subsidiary of Absolute Return for Kids (ARK) (referred to throughout as 'Ark', charity registration number 1095322, company registration number 04589451), a charity established to improve the life chances of children. One of the directors of Ark UK Programmes is also a director of Ark. The Chief Executive and Deputy Chief Executive of Ark UK Programmes were also the Chief Executive and Deputy Chief Executive of Ark during the year.

In furtherance of its objects, Ark UK Programmes works closely with Ark Schools, a network of 39 schools. Lord Fink and Lucy Heller are also directors of Ark Schools.

The board of trustees, which can have up to ten members, administers the company. The activities of the charity, as determined by the board of trustees, are carried out under the direction of the Chief Executive.

**Trustees**

The trustees are also directors of Ark UK Programmes for the purposes of company law.

The following individuals served as directors during the financial year and up to the date these financial statements were approved:

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Michael Clark	Resigned 1 November 2023
Lord Fink	
Lucy Heller	
Katie Oliver	Appointed 12 October 2023

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All directors served for the full year, except where indicated above.

**Trustees** (continued)

Lord Fink did not have any beneficial interest in the organisation, nor did he receive any remuneration during the period. Lucy Heller, Michael Clark and Katie Oliver received remuneration from Ark for their respective roles as Chief Executive, Deputy Chief Executive and Director (Ark Start) (see note 8).

New trustees may be appointed either by the board or by means of an ordinary resolution of the charity. On agreeing to become a trustee of the charitable company, the trustees are briefed by their co-directors on the history of the charitable company, day-to-day management, the responsibilities of trustees, current objectives, and future plans. The trustees are also encouraged to attend any courses relevant to their role, and to keep up to date with changes in legislation.

**Key management personnel**

The trustees consider the board of trustees, and the senior management team to comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the charity on a day-to-day basis. The Chief Executive and Deputy Chief Executive make up the senior management team and are remunerated by Ark.

Ark UK Programmes' key management salaries are set on appointment and reviewed annually in accordance with the pay review procedures operated by the parent organisation, Ark. The Deputy Chief Executive of Ark approves all salaries on appointment and any base salary in excess of £75,000 per annum is also approved by the Chief Executive of Ark. Annual reviews are subject to the same approval.

**Risk management**

Ark UK Programmes' management and trustees have reviewed and assessed the major risks to which the charity is exposed, and systems have been established to identify and manage those risks. Business plans for new ventures address the risks and mitigations and steering groups or shadow boards have been set up for the individual ventures. In addition, the Ark Finance and Risk Committee (FRC) formally reviews the Risk Register.

The key risks identified to date and mitigations are as follows:

- Additional competitive pressures, particularly for AC+, including the conversion of Oak National Academy into a new national curriculum body. To mitigate the risk of this, a full strategy review is underway including a review of programme design.
- Over-reliance on individual funders. To mitigate this risk, programme commitments are limited to available funds and pledges. The pipeline of potential funders is in continuous development.
- Ark Start fails to deliver impact within existing finances due to delayed start up and lack of political focus. To mitigate this risk, communication with funders and stakeholders is continuing. This is combined with an increased focus on impact measurement and evaluation.

**Risk management (continued)**

- The effect of increasing costs, as a result of inflation, especially in staffing. Salary budgets are reviewed and controlled as part of the annual budget setting process. Any in year increases in salaries or new positions are subject to strict review and approval processes.
- Loss of key staff. Teams have been strengthened through the development of recruitment and retention strategies, including succession plans.
- Safeguarding incident involving Ark Start. Safeguarding policies and procedures are in place, including a full programme of training for nursery staff.

**Achievements, performance, and future plans**

This year has seen some substantial changes and developments in the scope of ventures activity. As Ark has grown, many ventures and initiatives have been tightly associated with schools. They either share lessons that are learned from that frontline experience and expertise – as in the case of Ark Curriculum Plus - or fill identified gaps – in the way that the need for early years support focused on education led to the creation of Ark Start.

However, schools are only part of the story. Over the years, ventures have ranged far over the educational landscape – from extra-curricular support and STEM-focused campaigns to approaches that explore solutions beyond schools or address challenges in other sectors like health and social care.

Both school-inspired ventures and these more wide-ranging projects are critical to achieving Ark's mission. As Ark continues to grow, it is paramount that the charity does not lose focus by taking on too many projects.

Ark's approach has always been to incubate great ideas but then allow individual organisations to flourish independently. In 2023, it was decided that Ark's incubation activity had reached a point where it had sufficient scale and demand to support the current ventures team to thrive as an independent charity.

This new organisation – Purposeful Ventures – was set-up as an independent charity in November 2023, after the year end, and will work to solve intractable challenges in education and society. Led by Michael Clark, the long-standing Deputy CEO of Ark, it will focus on creating a fairer society, where all young people thrive. The new organisation will work closely with Ark and other partners to help tackle a wider range of challenges facing families, children and young people – from incubating a national network of baby banks to supporting postgraduate careers in STEM. Lucy Heller, Ark's CEO is a Trustee of Purposeful Ventures.

Ark will continue to create new initiatives that innovate and learn lessons from our schools to address the challenges we learn from the frontline. Most immediately this will be with the development of Ark Curriculum Plus and Ark Start as well as the exciting completion of EdCity. Further information on these plans is set out below.

Alongside the substantial work to shape the new strategy and support the spin-out of Purposeful Ventures, it was a busy year for our ventures. Below is a summary of activity for all the ventures supported by Ark UK Programmes through the year.

### **Achievements, performance, and future plans (continued)**

#### ***Ark Start***

Ark Start was founded to transform early education for disadvantaged children. It provides high-quality, teacher-led early education with a focus on working with parents to improve the home learning environment for pre-school children.

Ark Start is creating a new model of flexible, affordable nursery education and aims to create an exemplar group of nurseries that will accelerate outcomes for the most disadvantaged children and transform the funding of early years so that the pupils who need the most support attract the most funding.

#### *Achievements and performance:*

- Ark Start's two open nurseries are now fully established and at full capacity (Ark Start John Archer in Clapham Junction and Ark Start Oval in East Croydon).
- Ark Start developed a growing coalition of partners advocating for increased funding in disadvantaged areas.
- Given the early success and the need to maximise impact on policy makers, Ark Start is pursuing plans to expand to eight nurseries to strengthen its proof of concept, with secure plans in place to open at least two additional nurseries this year.

#### *Future plans*

In 2023/24, Ark Start plans to:

- Launch the evaluation of Ark Start in partnership with our evaluation partner, SQW.
- Open at least two new nurseries.
- Build strategic partnerships to support the longer term expansion of Ark Start.
- Work with a coalition of partners to continue to influence early years policy within the DfE and across the key political parties.
- Embed the Ark Start offer for under-twos in advance of expanding to children aged nine months and upwards.

#### ***Ark Curriculum Plus***

Ark Curriculum Plus (AC+) was formed in 2019 following the merger of Mathematics Mastery, a venture since 2012, and English Mastery, a venture since 2017, and has since launched new programmes in Science, History, and Geography.

AC+ partners with schools to achieve subject excellence, empowering teachers to ensure that every child has the subject knowledge to succeed. Schools follow a five-step improvement process, with support from a subject expert at each stage. Teachers are given all the ingredients they need to ensure every child can access an ambitious curriculum, including comprehensive research-based curriculum and assessment resources and integrated CPD. The AC+ curriculum programmes are having the greatest impact in schools with a high proportion of inexperienced or non-specialist teachers, helping them reach proficiency as quickly as possible. Ark Curriculum Plus continued to grow steadily this year with over 11,000 teachers supported by our programmes.

### **Achievements, performance, and future plans (continued)**

#### ***Ark Curriculum Plus (continued)***

##### *Achievements and performance:*

With increasing curriculum resources available free to the sector from the Government-funded Oak National Academy and others, AC+ has renewed its original focus on higher intensity programmes that are shown to enable more significant transformation in schools. Programme numbers are expected to grow more slowly, as AC+ seeks a greater impact for each student reached, prioritising schools with greatest unmet need. In particular this year we:

- Launched a Geography KS3 programme to the wider sector for the first time.
- We introduced three-year CPD programmes for teachers and leaders to build subject excellence progressively over time.
- We introduced a curriculum-aligned, fully standardised assessment solution across maths, science and geography at KS3 as well as primary maths.
- We developed new English KS3 units to provide richer opportunities for creative writing and choice of texts.

##### *Future plans*

Ark Curriculum Plus's priorities for 2023/24 are:

- To launch the full 11-16 science offer to the wider sector.
- To complete the English primary pilot for years 3-6.
- To continue the scale up of the maths primary programme, with support from the Education Endowment Foundation ('EEF')-managed DfE accelerator fund.
- To kick off a two-year EEF evaluation of maths at KS2.
- To conclude a three-year EEF randomised control trial of AC+'s English KS3 programme.
- To create, maintain, and deliver programmes that have a high impact on pupil progress and attainment, evidenced by impact studies and data.
- For all Ark Schools to benefit from all AC+ programmes, and for Ark Schools teachers and Principals to feel part of programme developments.

#### ***Martingale Postgraduate Foundation***

Launched in 2022, the Martingale Foundation supports talented students facing financial barriers to pursue Masters and PhDs and excel in them.

People from low socioeconomic backgrounds are fifteen times less likely to pursue a PhD compared with their privileged peers. With postgraduate degrees increasingly associated with academic and career advancement, this leaves many talented individuals behind.

Through generous scholarships and access to a community of pioneering leaders, Martingale enables people from low socioeconomic backgrounds to pursue Masters and PhDs in STEM subjects at leading UK research institutions.

**Achievements, performance, and future plans (continued)**

***Martingale Postgraduate Foundation (continued)***

*Achievements and performance:*

- Since its launch in 2022, Martingale welcomed the inaugural cohort of 21 Martingale Scholars onto the programme in September 2023, studying Mathematical Sciences across five founding universities: Cambridge, Imperial, King's, Oxford and UCL. Bristol, Edinburgh and Manchester joined as university partners in 2023, growing our reach out of the south-east of England.
- In autumn 2023, Martingale also recruited 32 Scholars-in-principle who are now working hard on their postgraduate applications to our eight partner universities, and are due to commence their Masters this September.
- All of the Scholars-in-principle for the 2024 cohort are from homes with a combined income of less than £40k, with 44 percent coming from homes with a combined income of less than £25k.

*Future plans*

Martingale Foundation is now looking to expand beyond Mathematical Sciences, with ambitions to provide funding for postgraduates from low socioeconomic backgrounds across STEM. The team are also reviewing the wider role Martingale can play within policy and research culture for systemic change within postgraduate higher education.

From October 2023, Martingale joined the new spin-out Purposeful Ventures and will continue to be incubated by them.

***Science Technology Engineering and Maths (STEM) Excellence Portfolio***

This was a priority area identified by the Ark Ventures team and is being carried forward and expanded by the new Purposeful Ventures organisation. The aim of the portfolio is to support projects that help to uncover hidden talents and passions, remove barriers to progression, and support all young people to recognise the potential of STEM-related careers. Too few young people from under-privileged or under-represented backgrounds excel in Science, Technology, Engineering and Maths (STEM), meaning they miss out on this powerful driver of social mobility.

The STEM Excellence portfolio has a focus on maths as a foundational subject for success in broader STEM studies. The team is providing ongoing financial and strategic support to charities such as Dr Frost Learning, MESME and Get Further.

In June 2023, Ark Ventures launched the Maths Excellence Fund and in December 2023 the Fund announced its first grants of £7.0m to support four partners to trial and evaluate programmes to improve the maths attainment and progression of high-potential students from disadvantaged backgrounds. The STEM Excellence Portfolio is also supporting initiatives focused on some of the most talented young people through a STEM Talent Fund and by organising the 65th International Mathematics Olympiad in July 2024 in Bath, UK.

## Achievements, performance, and future plans (continued)

### *MESME*

The year started with Mathematics Education for Social Mobility & Excellence (MESME) becoming an independent charity on 1 September 2022 (Charity No. 1199281) with the charitable objectives to grow the impact of Maths Circles and similar programmes. As noted above, they continue to stay closely connected to Ark through partnership with the new Purposeful Ventures charity. As of January 2024, it rebranded to Axiom Maths.

### Financial review

Total Ark UK Programmes income during the year was £18.4m (2021/22 – £5.7m), which is made up of programme income (grants and donations, programme fees, and other income from activities less endowment income). The split of programme income between the ventures was as follows:

- 36% (2021/22 – Nil) to Martingale Foundation
- 32% (2021/22 – Nil) to STEM Excellence Portfolio
- 19% (2021/22 – 69%) to AC+
- 13% (2021/22 – 15%) to Ark Start
- Nil (2021/22 – 16%) to MESME

The principal funding sources for the year have been grants to ventures and school payments to AC+. All expenditure has supported the charity's key objectives, as described in the review of performance above.

The net movement in funds for the year was a surplus of £10.6m (2021/22 – £0.3m). This included a gain of £0.1m (2021/22 – loss of £0.2m) on the endowments held as investments for the schools.

The charity had net assets at 31 August 2023 of £20.4m (2021/22 – £9.8m), comprising £5.1m (2021/22 – £6.1m) of endowment funds, £15.2m (2021/22 – £3.7m) of restricted funds, and £45k (2021/22 – £38k) of unrestricted funds (the free reserves of the charity). Given the programme-related nature of the charity's activities, which are mainly funded via restricted funds, the trustees consider the level of free reserves to be satisfactory.

The significant uplift in levels of funding is primarily driven by securing forward funding on behalf of the STEM Excellence Portfolio and Martingale prior to their spin-off.

### Reserves Policy

New Ark ventures are incubated only when external funding has been secured or a funding commitment has been made by Ark. For this reason, the charity's unrestricted reserve levels are expected to remain below £100k, with the majority of funds being restricted to the individual ventures. The unrestricted funds balance at 31 August 2023 was £45k, sufficient to fund more than 12-months' unrestricted expenditure. Within each of the restricted fund balances, the charity will aim to hold sufficient funds to cover 3-6 months of core programme operating costs.

Ark UK Programmes has taken all necessary steps to reduce both the operational and financial impact of the post pandemic environment and other cost pressures due to the wider economic challenges.

### **Reserves Policy (continued)**

Costs have been closely monitored to ensure that unrestricted reserves remain sufficient to meet financial commitments and obligations.

### **Investment Policy**

As at 31 August 2023, Ark UK Programmes had a portfolio of investments with a market value of £5.2m (2021/22 – £6.0m).

There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and considers income requirements, the risk profile, and the investment manager's view of the market prospects in the medium term. The overall investment policy is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five-year period.

Financial derivative products are used to ameliorate the risk associated with holding investments in foreign currencies. A trustee and management meet with the investment managers at least annually to review the performance of the portfolio and the investment strategy. The trustees are satisfied that their investment policy is being achieved.

### **Public Benefit**

Ark UK Programmes exists to advance the education of the public. The trustees have paid due regard to the Charity Commission's public benefit guidance and are satisfied that the charity complies with Section 4 of the Charities Act 2011. The sections at the beginning of this trustees' report dealing with objectives and achievements explain in detail the activities of the charity and how the public, specifically children, benefit from its work.

### **Approach to fundraising**

Ark fundraises from a defined list of individuals, companies, and charitable trusts and foundations. This list is carefully considered, and approaches are only made to those we already have a connection to, or where we think there would be an interest in Ark's work. Ark's network of schools conducts their own fundraising and may use fundraising platforms to promote specific school campaigns, including Just Giving.

Ark's fundraising is led by a small team of professional fundraisers and support staff employed by Ark – we do not out-source fundraising activities. Our activity is based on individual relationships with donors. Donor data is handled with care – all information is held on a secure database and files managed by Ark.

Ark is a paid member of the Fundraising Regulator, and we comply with the advice and guidance set by the body. We have not received any fundraising complaints.

### **Statement of trustees' responsibilities**

The trustees (who are also directors of Ark UK Programmes for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 income and expenditure of the charitable company 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 in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper 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. 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.

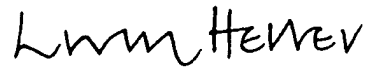
Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the company and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf by:



Lucy Heller

Trustee

Date: 18/03/2024

**Independent auditor's report to the member of Ark UK Programmes Year ended 31 August 2023**

**Opinion**

We have audited the financial statements of Ark UK Programmes (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies, and the notes to the financial statements. 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 August 2023 and of its 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.

**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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 trustees' report, which is also the directors' report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company 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 trustees 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 trustees 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**

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 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, data protection legislation, anti-bribery, employment, and health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

**Independent auditor's report to the member of Ark UK Programmes Year ended 31 August 2023**

**Auditor's responsibilities for the audit of the financial statements**  
(continued)

- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ used data analytics to investigate the rationale behind any significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of meetings of those charged with governance;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**Independent auditor's report to the member of Ark UK Programmes Year ended 31 August 2023**

**Auditor's responsibilities for the audit of the financial statements**  
(continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 member, 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 charitable company's member 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 and the charitable company's member as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel, Senior Statutory Auditor  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

21 May 2024

## Ark UK Programmes

### Statement of financial activities- Year ended 31 August 2023

	Notes	Un-restricted £'000	Restricted £'000	Endowments £'000	Year ended 31 August 2023 Total £'000	Year ended 31 August 2022 Total £'000
<b>Income from:</b>						
Donations and legacies:						
Grants and donations	2a	-	15,384	-	15,384	2,205
Charitable activities						
Programme fees	2b	-	2,777	-	2,777	2,365
Other income	2b	7	120	-	127	194
Investments	3	-	99	-	99	65
Continuing operations		7	18,380	-	18,387	4,829
Discontinued operations	21	-	-	-	-	905
<b>Total income</b>	6	7	18,380	-	18,387	5,734
<b>Expenditure on:</b>						
Raising funds						
Investment management fees		-	-	56	56	61
Interest on finance lease		-	-	1	1	1
Charitable activities						
Support to programmes	4,5	-	6,326	-	6,326	4,207
Grants from endowments	4	-	-	950	950	-
Transfers to MESME	21	-	496	-	496	-
Continuing operations		-	6,822	1,007	7,829	4,269
Discontinued operations	21	-	-	-	-	922
<b>Total expenditure</b>	6	-	6,822	1,007	7,829	5,191
Net income (expenditure) before gains (losses) on investments						
		7	11,558	(1,007)	10,558	543
Gains (losses) on investments						
	9, 10	-	-	78	78	(224)
Net income (expenditure) and net movement in funds						
		7	11,558	(929)	10,636	319
<b>Reconciliation of funds</b>						
<b>Funds brought forward at 1 September 2022</b>						
		38	3,663	6,055	9,756	9,437
<b>Funds carried forward at 31 August 2023</b>						
	6	45	15,221	5,126	20,392	9,756

There were no recognised gains and losses in the period other than those stated above.

## Ark UK Programmes

### Statement of financial activities- Year ended 31 August 2023

#### *Income and expenditure account:*

	Continuing operations 2023 £'000	Discontinued operations* 2023 £'000	Year ended 2023 £'000	Continuing operations 2022 £'000	Discontinued operations 2022 £'000	Year ended 2022 £'000
Total income	18,387	-	18,387	4,829	905	5,734
Total expenditure	(6,326)	(496)	(6,822)	(4,207)	(922)	(5,129)
<b>Net income (expenditure) for the year</b>	<b>12,061</b>	<b>(496)</b>	<b>11,565</b>	<b>622</b>	<b>(17)</b>	<b>605</b>

The income and expenditure account above excludes the movement on the endowments fund. It is stated before losses/gains on investments and transfers.

The summary income and expenditure account is derived from the statement of financial activities on the previous page which, together with the notes to the financial statements on pages 22 to 38, provides full information on the movements during the year on all the funds of the charity.

Total income of £18,387k (2021/22 – £5,734k) comprises £7k (2021/22 – £1k) in relation to unrestricted funds and £18,380k (2021/22 – £5,733k) in relation to restricted funds. A detailed analysis of income and expenditure by source is provided in the statement of financial activities and the notes to the financial statements.

Net income for the year of £11,565k (2021/22 – net income of £605k) comprises net income of £7k (2021/22 – £15k net expenditure) in relation to unrestricted funds and net expenditure of £11,588k (2021/22 – £620k net expenditure) in relation to restricted funds, as shown in the statement of financial activities.

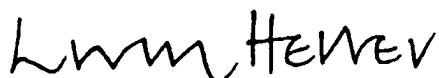
\*Note that the above includes the one-off transfer in 2023 to MESME.

## Ark UK Programmes

### Balance sheet 31 August 2023

	Notes	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Investment property	9	642	656
Investment assets	10	5,193	6,041
		<u>5,835</u>	<u>6,697</u>
<b>Current assets</b>			
Debtors	11	14,402	3,837
Cash at bank and in hand		3,118	717
		<u>17,520</u>	<u>4,554</u>
<b>Creditors: amounts due within one year</b>	12	<b>(2,946)</b>	<b>(1,464)</b>
<b>Net current assets</b>		<u><b>14,574</b></u>	<u><b>3,090</b></u>
<b>Total assets less current liabilities</b>		<b>20,409</b>	<b>9,787</b>
<b>Creditors: amounts due after more than one year</b>	13	<b>(17)</b>	<b>(31)</b>
<b>Net assets</b>		<u><b>20,392</b></u>	<u><b>9,756</b></u>
<b>The funds of the charity</b>			
Unrestricted general funds		45	38
Restricted funds		15,221	3,663
Endowment funds		5,126	6,055
<b>Total funds</b>	6	<u><b>20,392</b></u>	<u><b>9,756</b></u>

Approved by the board of trustees and signed on its behalf by:



Lucy Heller

Trustee

Date: 18/03/2024

Company registration no: 05932797

## Ark UK Programmes

### Statement of cash flows Year to 31 August 2023

	Notes	2023 £'000	2022 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	A	2,323	(1,838)
<b>Cash provided by (used in) operating activities</b>		<b>2,323</b>	<b>(1,838)</b>
<b>Cash flows from investing activities:</b>			
Investment income		99	65
Proceeds from the disposal of investments		2,571	2,276
Transfer of endowment funds		(950)	-
Purchase of investments		(1,700)	(2,183)
<b>Net cash provided by investing activities</b>		<b>20</b>	<b>158</b>
<b>Change in cash and cash equivalents in the year</b>		<b>2,343</b>	<b>(1,680)</b>
<b>Cash and cash equivalents at 1 September</b>	B	<b>740</b>	<b>2,515</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>41</b>	<b>(95)</b>
<b>Cash and cash equivalents at 31 August</b>	B	<b>3,124</b>	<b>740</b>

### Notes to the statement of cash flows for the year to 31 August 2023

#### A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2023 £'000	2022 £'000
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>10,636</b>	<b>319</b>
<b>Adjustments for:</b>		
(Gains) losses on investments	(78)	224
(Gains) loss on investment property	(15)	-
Expenditure from endowments	950	-
Investment income	(99)	(65)
(Increase) in debtors	(10,565)	(2,144)
Increase (decrease) in creditors (excluding endowment creditors)	1,495	(172)
<b>Net cash provided by (used in) operating activities</b>	<b>2,324</b>	<b>(1,838)</b>

#### B Analysis of cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	3,118	717
Cash held by investment managers	6	23
<b>Total cash and cash equivalents</b>	<b>3,124</b>	<b>740</b>

Cash held by investment managers relates to the endowments invested with JP Morgan. It is not available for use by Ark UK Programmes to further charitable activities.

## Ark UK Programmes

### Statement of cash flows Year to 31 August 2023

#### Notes to the statement of cash flows for the year to 31 August 2023 (continued)

#### C Analysis of changes in net debt

	At 1 September 2022 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 August 2023 £'000
Cash at bank and in hand	717	2,401	-	3,118
Cash held by investment managers	23	(17)	-	6
	740	2,384	-	3,124
Finance lease obligations	(31)	14	-	(17)
<b>Total</b>	<b>709</b>	<b>2,398</b>	<b>-</b>	<b>3,107</b>

**1 Accounting policies**

***Basis of preparation***

These financial statements have been prepared for the year to 31 August 2023.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS102) (Charities SORP FRS102), the Charities Act 2011 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

***Critical accounting estimates and areas of judgement***

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- Estimating the impact of inflation on the charity's income and expenditure, and assessing income from new sales and activities, for the purpose of preparing cash flow forecasts and budgets to assist in the assessment of going concern;
- Allocating support costs across charitable activities;
- Timing of income recognition for programme fees;
- Classification of leases as finance or operating;
- Determining the discount rate for future cash flows; and
- Measurement of fair values of the investment property.

***Assessment of going concern***

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees have considered the impact cost pressures due to the wider economic challenges. The trustees have looked at the financial position, including income, expenditure, and reserves, and have acknowledged that some areas of work continue to be challenging, for example AC+ activity in UK schools. The trustees do not consider the post-pandemic environment or other cost pressures due to wider economic challenges to be a cause for material uncertainty in respect of the ability of the charity to continue as a going concern.

**1 Accounting policies (continued)**

***Assessment of going concern (continued)***

A number of areas of judgement that affect items in the accounts have been identified above. In addition, the most significant areas that affect the carrying value of the assets held by the charity in the next accounting period (the year ending 31 August 2024) are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information). The trustees remain of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

In the unlikely event that the charity was unable to meet its liabilities, the parent charity, Ark, would provide the necessary financial support in the form of a grant or loan.

The trustees have therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

***Fund accounting***

Restricted funds are those which are to be used for a specified purpose as stipulated by the donor and agreed by the charity.

Unrestricted funds are those which the donor gives to the charity without stipulating a specific purpose. They are to be used for the furtherance of the objects of the charity in general and may be applied to specific projects at the discretion of the trustees to further the charity's purposes.

The endowment fund represents monies invested on behalf of individual Ark academies. Any returns generated on these funds can be used without restriction, but only by the academy in question, and are therefore recognised as restricted income. The initial capital can only be used with agreement of the Secretary of State for Education, unless it is spent on 'equipment, facilities, accommodation, landscaping, and signage' at the relevant academy. The Ark All Saints Academy endowment is a permanent endowment for which Ark UK Programmes has been appointed as the trustee.

All income and expenditure is shown in the Statement of Financial Activities.

***Income***

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received. Where a service is provided over a period that spans more than one accounting period, a judgement is made as to the amount of income that should be accrued or deferred.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

**1 Accounting policies (continued)**

***Expenditure***

Liabilities, including those relating to staff costs and redundancies, are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category.

Ark UK Programmes is registered for VAT and reclaims VAT in its business-related expenditure. Irrecoverable VAT is included in expenditure when incurred.

Costs of raising funds are those incurred in seeking donations for the charity and in publicising the work of the charity.

Expenditure on charitable activities comprise expenditure related to the direct furtherance of the charity's objectives. In the accounts of the charity, the award of a grant is recorded as charitable expenditure and the unspent amount is held in the balance sheet as a grant creditor.

***Allocation of overhead and support costs***

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, payroll, and Governance costs which support the charity's programmes and activities. Governance costs are those incurred in connection with the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements.

Where costs cannot be directly attributed, they have been allocated to activities. The basis for the allocation of support costs to charitable activities is set out in note 5 to the financial statements.

***Volunteers and donated services***

With the exception of trustees, patrons and a small number of advisors who all provide their services on a voluntary basis, the charity does not rely upon volunteers or donated services in delivering services. The financial value of services donated by advisors is included as expenditure at an estimated fair value and a corresponding value of income is included as an in-kind donation.

***Discontinued activities***

Where a decision has been made to discontinue or terminate an activity in accordance with the definitions contained within FRS 102, income, costs, and obligations associated with the discontinuing operation are recognised within the year. The income, costs, and obligations are disclosed separately on the face of the statement of financial activities.

***Investments***

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

1 **Accounting policies** (continued)

***Investments*** (continued)

A fair value hierarchy that prioritises the inputs to valuation techniques is used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The levels of fair value hierarchy are described below:

- Level 1 (listed investments) – Unadjusted quoted process in active markets that are accessible at the measurement date for identical, unrestricted assets, or liabilities;
- Level 2 (unlisted investments) – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable either directly or indirectly; and
- Level 3 (unlisted investments) – Prices or valuation that requires inputs that are both significant to the fair value measurement and unobservable.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices for an identical instrument, dealer quotations, or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub-sectors.

***Investment Property***

Investment property is held by Ark UK Programmes to earn rentals and for capital appreciation, rather than for use in the ordinary course of business. Investment properties are measured at cost and subsequently at fair value at the reporting date. Professional advice is sought as appropriate to determine the valuation of investment property. Changes in fair values are recognised in the statement of financial activities.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised. The cost of maintenance, repairs, and minor improvements is recognised in the statement of financial activities when occurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the statement of financial activities.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the rate of exchange ruling at the balance sheet date.

**1 Accounting policies (continued)**

***Operating lease***

Operating lease rentals are charged on a straight-line basis over the term of the lease. These are included in the Charitable Activities expenditure in the Statement of Financial Activities.

***Finance lease***

A finance lease is recognised when it is determined that the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee.

At the commencement of the lease term, Ark UK Programmes recognises its rights of use and obligations under the finance lease as an asset and a liability in the balance sheet at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. Where the implicit rate cannot be determined, the charity's incremental borrowing rate is used.

Any initial direct costs are added to the amount recognised as an asset. Subsequently, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method, including updating the effective interest rate to reflect the charity's incremental cost of capital. This rate was 4.60% (2021/22 - 3.20%).

***Debtors***

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

***Cash at bank and in hand***

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

***Creditors and provisions***

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment when such discounting is material.

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2023

#### 2 a. Grants and Donations

During the year, the organisation received the following grants and donations:

<b>2023</b>	<b>Unrestricted £'000</b>	<b>Restricted £'000</b>	<b>Endowments £'000</b>	<b>Total 2023 £'000</b>
Ark Curriculum+	-	793	-	<b>793</b>
Ark Start	-	2,198	-	<b>2,198</b>
Martingale Foundation	-	6,605	-	<b>6,605</b>
STEM Excellence Portfolio	-	5,788	-	<b>5,788</b>
<b>2023 total</b>	-	<b>15,384</b>	-	<b>15,384</b>

<b>2022</b>	<b>Unrestricted £'000</b>	<b>Restricted £'000</b>	<b>Endowments £'000</b>	<b>Total 2022 £'000</b>
Ark Curriculum+	-	1,455	-	1,455
Ark Start	-	714	-	714
Martingale Foundation	-	35	-	35
Unrestricted	1	-	-	1
<b>Continuing operations</b>	<b>1</b>	<b>2,204</b>	-	<b>2,205</b>
<b>Discontinued operations: MESME</b>	-	<b>905</b>	-	<b>905</b>
<b>2022 total</b>	<b>1</b>	<b>3,109</b>	-	<b>3,110</b>

#### 2 b. Income from charitable activities

<b>2023</b>	<b>Unrestricted £'000</b>	<b>Restricted £'000</b>	<b>Endowments £'000</b>	<b>Total 2023 £'000</b>
<b>Programme fees</b>				
Ark Curriculum+	-	2,606	-	<b>2,606</b>
Ark Start	-	171	-	<b>171</b>
	-	2,777	-	<b>2,777</b>
<b>Other income</b>				
Ark Curriculum+	-	120	-	<b>120</b>
Other	7	-	-	<b>7</b>
	7	120	-	<b>127</b>
<b>2023 total</b>	<b>7</b>	<b>2,897</b>	-	<b>2,904</b>

<b>2022</b>	<b>Unrestricted £'000</b>	<b>Restricted £'000</b>	<b>Endowments £'000</b>	<b>Total 2022 £'000</b>
<b>Programme fees</b>				
Ark Curriculum+	-	2,270	-	2,270
Ark Start	-	95	-	95
	-	2,365	-	2,365
<b>Other income</b>				
Ark Curriculum+	-	169	-	169
Ark Start	-	25	-	25
	-	194	-	194
<b>2022 total</b>	-	<b>2,559</b>	-	<b>2,559</b>

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2023

#### 3 Investment income

<b>2023</b>	Unrestricted £'000	Restricted £'000	<b>Total 2023 £'000</b>
Income and interest from listed investments	-	80	<b>80</b>
Income from investment property	-	19	<b>19</b>
<b>2023 total</b>	<b>-</b>	<b>99</b>	<b>99</b>

<i>2022</i>	<i>Unrestricted £'000</i>	<i>Restricted £'000</i>	<i>Total 2022 £'000</i>
<i>Income and interest from listed investments</i>	<i>-</i>	<i>54</i>	<i>54</i>
<i>Income from investment property</i>	<i>-</i>	<i>11</i>	<i>11</i>
<i>2022 total</i>	<i>-</i>	<i>65</i>	<i>65</i>

In 2009/10, Ark UK Programmes was given responsibility for the administration of the endowments held on behalf of individual Ark academies. These funds are invested with JP Morgan and the relationship is set out in a Deed of Gift between Ark UK Programmes, Ark, and the Secretary of State for Education. King Solomon Academy contributed an additional £750k into its endowment, which is outside of the Deed of Gift. In January 2015, Ark UK Programmes was appointed as the trustee of an endowment held under a Trust Deed for Ark All Saints Academy (formerly St Michael and All Angels Church of England Academy). The value of the endowment transferred into Ark UK Programmes was £607k.

#### 4 Analysis of charitable expenditure

<b>2023</b>	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs (see note 5) £'000	<b>Total 2023 £'000</b>
<b>Charitable expenditure</b>				
Ark Curriculum+	3,671	-	255	<b>3,926</b>
Ark Start	1,182	-	84	<b>1,266</b>
Martingale Foundation	406	-	47	<b>453</b>
STEM Excellence Portfolio	654	-	3	<b>657</b>
Endowment programme (Note 6)	16	950	8	<b>974</b>
<b>2023 total</b>	<b>5,929</b>	<b>950</b>	<b>397</b>	<b>7,276</b>

## 4 Analysis of charitable expenditure (continued)

2022	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs (see note 5) £'000	Total 2022 £'000
<b>Charitable expenditure</b>				
Ark Curriculum+	3,244	-	112	3,356
Ark Start	730	-	57	787
Martingale Foundation	35	-	-	35
Endowment programme	7	-	6	13
Unrestricted	4	-	12	16
<b>Continuing operations</b>	<b>4,020</b>	<b>-</b>	<b>187</b>	<b>4,207</b>
<b>Discontinued operations: MESME</b>	<b>921</b>	<b>-</b>	<b>1</b>	<b>922</b>
<b>2022 total</b>	<b>4,941</b>	<b>-</b>	<b>188</b>	<b>5,129</b>

## 5 Allocation of support costs

2023	Finance £'000	HR £'000	Governance £'000	Other overheads and support staff £'000	Total 2023 £'000
Charitable expenditure					
Ark Curriculum+	53	15	8	179	255
Ark Start	40	8	-	36	84
Martingale Foundation	20	7	4	16	47
STEM Excellence Portfolio	-	-	3	-	3
Endowment programme	5	-	2	1	8
2023 total	118	30	17	232	397

Finance, governance and HR costs are allocated on the basis of time spent on each programme. Other overheads consist of the desk charge, which is allocated on the basis of the number of desks reserved for each programme, IT costs, and any remaining core costs. The allocation of support costs to activities in note 4 provides a more accurate picture of the full costs of these activities. It does not represent use of programme funds. Due to a change in allocation methods more costs are directly allocated to venture support costs.

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2023

#### 5 Allocation of support costs (continued)

2022	Finance £'000	HR £'000	Governance £'000	Other overheads and support staff £'000	Total 2022 £'000
<i>Charitable expenditure</i>					
Ark Curriculum+	50	13	7	42	112
Ark Start	47	5	2	3	57
MESME	-	-	1	-	1
Endowment programme	5	-	1	-	6
Unrestricted	-	-	12	-	12
<b>2022 total</b>	<b>102</b>	<b>18</b>	<b>23</b>	<b>45</b>	<b>188</b>

#### 6 Analysis of net movement in funds

2023	At 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains and transfers £'000	At 31 August 2023 £'000
<b>Restricted funds</b>					
Ark Curriculum+	2,105	3,519	(3,926)	-	1,698
Ark Start	556	2,369	(1,265)	-	1,660
MESME (see note 21)	496	-	(496)	-	-
Martingale Foundation	-	6,605	(453)	-	6,152
STEM Excellence Portfolio	-	5,788	(658)	-	5,130
Ark Schools endowment interest	506	99	(24)	-	581
<b>2023 total</b>	<b>3,663</b>	<b>18,380</b>	<b>(6,822)</b>	<b>-</b>	<b>15,221</b>
<b>Endowment funds</b>	6,055	-	(1,007)	78	5,126
<b>Unrestricted funds</b>					
General	38	7	-	-	45
<b>Total funds</b>	<b>9,756</b>	<b>18,387</b>	<b>(7,829)</b>	<b>78</b>	<b>20,392</b>

The restricted funds of Ark Curriculum+ have arisen from grants given specifically for use by Ark Curriculum+ plus fees from schools signed up to the programmes and via the DCMS.

The Ark Start restricted funds have arisen from the receipt of grant income for use specifically on the respective programmes.

MESME restricted funds have arisen from the receipt of grant income to support students to achieve mathematical excellence under the Maths Circles programme following on from the success of the model established in Russia and the US. Following independence, which took place on 1<sup>st</sup> November 2023 all funds were transferred to the new charity.

In 2022/23, Martingale launched as a new post-graduate scholarship programme, whose mission will be to find, fund, and support a new generation of STEM postgraduates for whom family income would otherwise be a barrier to the pursuit of academic excellence. The first cohort of Martingale Scholars took up places in September 2023.

**6 Analysis of net movement in funds (continued)**

STEM Excellence Portfolio Restricted Funds related to funds received for the express purposes of meeting the goals of the Maths Excellence Fund and delivering the 65<sup>th</sup> International Mathematics Olympiad.

The Ark Schools Endowment interest in restricted funds has arisen from dividends and interest paid out on the endowment investments held by Ark UK Programmes on behalf of individual Ark academies. The income is restricted for use by the Ark academy from whose endowment the income arose. The endowment fund represents monies invested on behalf of individual Ark academies. Any returns generated on these funds can be used without restriction, but only by the academy in question, and are therefore recognised as restricted income. The initial capital can only be used with agreement of the Secretary of State for Education, unless it is to be spent on 'equipment, facilities, accommodation, landscaping, or signage' at the relevant academy. The exception to this is the Ark All Saints Academy endowment for which Ark UK Programmes was appointed the trustee in January 2015. The principal sum of this endowment can only be spent with the permission of the Secretary of State.

At 31 August 2023, the balance of expendable endowments was £4,263k (2021/22 – £5,209k) and the balance of permanent endowments was £863k (2021/22 – £846k).

In the year, £57k expenditure was made from endowments (2021/22 – £62k); £56k for investment manager fees (2021/22 – £61k) and £1k interest on the finance lease (2021/22 – £1k, note 14). An amount of £950k was also withdrawn and transferred to Ark Schools for capital expenditure projects (2021/22 – £nil).

	At 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains/ (losses) and transfers £'000	At 31 August 2022 £'000
<i>2022</i>					
<i>Restricted funds</i>					
Ark Curriculum+	1,567	3,894	(3,356)	-	2,105
Ark Start	509	834	(787)	-	556
MESME	513	905	(922)	-	496
Martingale Foundation	-	35	(35)	-	-
Ark Schools endowment interest	454	65	(13)	-	506
<i>2022 total</i>	<u>3,043</u>	<u>5,733</u>	<u>(5,113)</u>	-	<u>3,663</u>
<i>Endowment funds</i>	6,341	-	(62)	(224)	6,055
<i>Unrestricted funds</i>					
General	53	1	(16)	-	38
<i>Total funds</i>	<u>9,437</u>	<u>5,734</u>	<u>(5,191)</u>	<u>(224)</u>	<u>9,756</u>

**7 Net movement in funds**

Net movement in funds is stated after charging:

	2023 £'000	2022 £'000
Statutory audit fees	<u>11</u>	<u>9</u>

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2023

#### 8 Staff costs and numbers

	2023 £'000	2022 £'000
Salaries and wages	3,319	2,464
Social security costs	371	279
Pension costs	340	266
	<b>4,030</b>	<b>3,009</b>

No redundancy and ex-gratia severance payments were made in the year (2021/22 – Nil).

The average number of staff employed during the period was:

	Headcount	
	2023	2022
Charitable activities	71	49
Support to activities	5	5
	<b>76</b>	<b>54</b>

The number of employees during the period who earned over £60,000 in the year (including benefits) was as follows:

	2023 No.	2022 No.
£60,001 - £70,000	6	2
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£90,001 - £100,000	2	1
£100,001 - £110,000	-	1
£110,001 - £120,000	2	1
	<b>12</b>	<b>7</b>

The pension contributions made on behalf of the above employees was £108,392 (2021/22 – £64,535)

Key management personnel of Ark UK Programmes comprise the trustees and the directors as listed on page 1. The total amount of employee benefits (including pension and social security contributions) received by key management personnel was £117,310 (2021/22 – £112,047). Key management personnel comprise the CEO and Deputy CEO of Ark, they are paid by the parent charity, Ark, by virtue of them being employees of the parent charity.

**9 Investment property**

	Land and buildings £'000	Total £'000
<b>Cost or valuation:</b>		
At 1 September 2022	656	656
Decrease in fair value	(14)	(14)
At 31 August 2023	<u>642</u>	<u>642</u>
Carrying amount at 31 August 2023	<u>642</u>	<u>642</u>

The long leasehold investment property is held at fair value. Completion of the property was on 20 May 2016. The trustees have performed the valuation of the property at 31 August 2023 based on publicly available information.

Included in the amount for investment property is £16,820 (2021/22 – £31,387) relating to assets held under a finance lease (note 14).

**10 Investment assets**

	2023 £'000	2022 £'000
<b>Listed investments</b>		
Market value at 1 September	6,018	6,250
Additions to investments at cost	1,700	2,183
Disposals at market value - proceeds	(3,179)	(2,310)
Net unrealised investment (loss) gain	648	(105)
Market value at 31 August	<u>5,187</u>	<u>6,018</u>
<b>Cash held by investment managers for reinvestment</b>	<u>6</u>	<u>23</u>
	<u>5,193</u>	<u>6,041</u>
Cost of listed investments at 31 August	<u>4,903</u>	<u>5,631</u>

All listed investments were traded on a recognised stock exchange. Listed investments held at 31 August 2023 comprised the following:

	2023 £'000	2022 £'000
Overseas equities	2,878	3,523
Fixed interest	1,677	1,889
Alternative assets	589	606
Miscellaneous/foreign exchange	43	-
	<u>5,187</u>	<u>6,018</u>

All investments are held in a portfolio of diversified funds. Accordingly, no individual holding is considered to be material when compared to the total value of the listed investment portfolio at 31 August 2023.

Foreign exchange forward contracts are used to ameliorate the risk associated with holding investments in foreign currencies. These are held by the investment managers and form part of their strategy for managing risk.

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2023

#### 10 Investment assets (continued)

	2023 £'000	2022 £'000
<b>Unrealised gains included above:</b>		
On investments	284	387
<b>Total unrealised gains at 31 August</b>	<b>284</b>	<b>387</b>
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 September	387	830
Less: in respect to disposals in the year	(751)	(338)
Add: net unrealised gains (losses)	648	(105)
<b>Total unrealised gains at 31 August</b>	<b>284</b>	<b>387</b>

#### 11 Debtors

	2023 £'000	2022 £'000
Trade debtors	839	661
Prepayments and other debtors	302	315
Accrued income	118	365
Amounts due from Absolute Return for Kids (Ark) (note 17)	2,536	1,924
Amounts due from Absolute Return for Kids (Ark) for Purposeful Ventures	10,264	-
Amounts due from Ark Schools	343	-
	<b>14,402</b>	<b>3,265</b>

#### 12 Creditors: Amounts falling due within one year

	2023 £'000	2022 £'000
Accruals	317	296
Trade creditors	441	81
Deferred income	798	690
Amounts due to Absolute Return for Kids (Ark) (note 17)	451	-
Amounts due to Ark Schools	311	269
Taxation and social security	114	84
Other creditors	17	44
Amounts due to MESME as part of transfer (see note 21)	496	-
	<b>2,946</b>	<b>1,464</b>

Deferred income relates to programme fees for Ark Curriculum+ received in advance for delivery in the following financial year. The movements in deferred income are analysed below:

	At 31 August 2022 £'000	Released from previous year £'000	Deferred in current year £'000	At 31 August 2023 £'000
Programme fees	690	(690)	798	798
<b>Total deferred income</b>	<b>690</b>	<b>(690)</b>	<b>798</b>	<b>798</b>

**13 Creditors: Amounts falling due after more than one year**

	2023 £'000	2022 £'000
Finance lease liability	17	31
	<b>17</b>	<b>31</b>

**14 Finance lease**

The future minimum finance lease payments are as follows:

	2023 £'000	2022 £'000
Not later than one year*	-	-
Later than one year and not later than five years	2	2
Later than five years	300	300
Total gross payments	302	302
Less: finance charges	(285)	(271)
<b>Carrying amount of liability</b>	<b>17</b>	<b>31</b>

\*Lease payments of £400 are due in no later than one year.

The finance lease relates to the investment property (note 9). There are no contingent rental, renewal, or purchase option clauses.

**15 Analysis of net assets between funds**

	Unrestricted General fund £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
<b>2023</b>				
<b>Fund balances at 31 August 2023 are represented by:</b>				
Investment assets	-	580	5,255	5,835
Current assets	479	16,995	75	17,549
Creditors: amounts falling due within one year	(434)	(2,354)	(187)	(2,975)
Creditors: amounts falling due in more than one year	-	-	(17)	(17)
<b>Total net assets</b>	<b>45</b>	<b>15,221</b>	<b>5,126</b>	<b>20,392</b>
	Unrestricted General fund £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
<b>2022</b>				
<b>Fund balances at 31 August 2022 are represented by:</b>				
Investment assets	-	506	6,191	6,697
Current assets	235	4,258	61	4,554
Creditors: amounts falling due within one year	(197)	(1,101)	(166)	(1,464)
Creditors: amounts falling due in more than one year	-	-	(31)	(31)
<b>Total net assets</b>	<b>38</b>	<b>3,663</b>	<b>6,055</b>	<b>9,756</b>

## 16 Trustees' remuneration and expenses

The only trustees of the company who received payment or other emoluments are disclosed in Note 8 with no expenses being reimbursed to any trustee through Ark UK Programmes during the current and prior periods.

## 17 Related party transactions

The charity is a wholly owned subsidiary of Absolute Return for Kids (Ark). Ark UK Programmes has taken advantage of the exemption available under Section 33 of FRS102 Related Party Disclosure not to disclose group transactions between the charity and its parent.

During the year, the organisation had the following transactions with Ark Schools. Ark Schools is an Ark family member, Lord Fink and Lucy Heller are also trustees of Ark Schools.

*Income from Ark Schools and individual Ark academies:*

- £138k (2021/22 – £118k) towards the costs of the Ark Curriculum+ resources and training and shared supplier accounts.

*Expenditure incurred with Ark Schools:*

- £nil (2021/22 – £136k) towards rent and service charges for shared office space with Ark Schools.
- £nil (2021/22 – £32k) towards technology services provided by Ark Schools.

Amounts due from and to Ark and Ark Schools are included within notes 11 and 12 respectively.

£0.7m (2021/22 – £0.1m) income was received in the year from The Education Endowment Foundation. Lucy Heller is a trustee of The Education Endowment Foundation and is also a trustee of Ark UK Programmes.

## 18 Ultimate parent undertaking

During the year under review, the company's immediate and ultimate parent undertaking was Absolute Return for Kids (ARK). Ark is registered in England as a charitable company limited by guarantee (company registration number 04589451; charity registration number 1095322). For the period under review, Ark has included Ark UK Programmes within its group financial statements, copies of which are available at its registered office: The Yellow Building, 1 Nicholas Road, London, W11 4AN.

## 19 Taxation

Ark UK Programmes has charitable status (charity number 1137932). Given the nature of its activities, the charity will not be subject to income tax or corporation tax on income derived from its charitable activities, as it would fall within the various exemptions available to registered charities.

**20 Post balance sheet events**

In response to the significant growth over recent years, the Ark board approved the spin-out of a new organisation that would enable Ark UK Programmes' non-schools ventures to become independent and continue to expand. Accordingly, on 1 November 2023, the STEM Excellence Portfolio and the Martingale Foundation moved to Purposeful Ventures. In December 2023, £9.9m of funding restricted to these programmes was transferred from Ark. For clarity, Ark Curriculum+ and Ark Start remain part of Ark UK Programmes.

**21 Discontinued operations**

On 1 September 2022, MESME became an independent charity and was included within Ark UK Programmes accounts for the last time in full during the year ended 31 August 2022 as shown below.

	Year ended 31 August 2022 Total £000
<hr/>	
<b>Income from:</b>	
Donations and legacies:	
Grants and donations	905
<b>Total income</b>	<u>905</u>
<b>Expenditure on:</b>	
Charitable activities	
Support to programmes	(922)
<b>Total expenditure</b>	<u>(922)</u>
<b>Restricted fund balance at 1 September 2021</b>	513
<b>Net expenditure for the year ended 31 August 2022</b>	<u>(17)</u>
<b>Restricted fund balance at 31 August 2022</b>	<u>496</u>

The closing balance of £496k has been shown as a transfer out in the 2022/23 accounts on the face of the statement of financial activities.

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2023

#### 22 Comparative statement of financial activities for continuing operations

	Notes	Unrestricted £'000	Restricted £'000	Endowments £'000	Year ended 31 August 2022 Total £'000
<i>Income from:</i>					
<i>Donations and legacies:</i>					
Grants and donations	2a	1	2,204	-	2,205
Donated services	2b	-	-	-	-
<i>Charitable activities</i>					
Programme fees	2c	-	2,365	-	2,365
Other income from activities	2c	-	194	-	194
Investments	3	-	65	-	65
Continuing operations		1	4,828	-	4,829
Discontinued operations		-	905	-	905
<b>Total income</b>	<b>6</b>	<b>1</b>	<b>5,733</b>	<b>-</b>	<b>5,734</b>
<i>Expenditure on:</i>					
<i>Raising funds</i>					
Investment management fees		-	-	61	61
Interest on finance lease		-	-	1	1
<i>Charitable activities</i>					
Support to programmes	4,5	16	4,191	-	4,207
Donated services	2b,4	-	-	-	-
Continuing operations		16	4,191	62	4,269
Discontinued operations		-	922	-	922
<b>Total expenditure</b>	<b>6</b>	<b>16</b>	<b>5,113</b>	<b>62</b>	<b>5,191</b>
<i>Net income (expenditure) before gains on investments</i>					
		(15)	620	(62)	543
Gains on investments	10	-	-	(224)	(224)
<i>Net income (expenditure) and net movement in funds</i>					
		(15)	620	(286)	319
<i>Reconciliation of funds</i>					
<i>Funds brought forward at 1 September 2021</i>					
		53	3,043	6,341	9,437
<i>Funds carried forward at 31 August 2022</i>					
	<b>6</b>	<b>38</b>	<b>3,663</b>	<b>6,055</b>	<b>9,756</b>

There were no recognised gains and losses in the period other than those stated above.

**ARK UK PROGRAMMES**

England & Wales - Charity number 1137932

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# Accounts

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**Ark UK Programmes**

**Annual Report and Financial  
Statements**

31 August 2022

Company limited by guarantee  
registration number 05932797  
(England and Wales)

Charity registration number 1137932

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**Reference and administrative details**

<b>Trustees</b>	Michael Clark Lord Fink Lucy Heller
<b>Company Secretary</b>	Elizabeth Dawson
<b>Chief Executive</b>	Lucy Heller
<b>Registered Office</b>	The Yellow Building 1, Nicholas Road London W11 4AN
<b>Company registration number</b>	05932797
<b>Charity registration number</b>	1137932
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank plc 95 George Street Croydon CR9 2NS
<b>Solicitor</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
<b>Investment manager</b>	JP Morgan International Bank 25 Bank Street Canary Wharf London E14 5JP

The trustees, who are also directors of Ark UK Programmes for the purposes of the Companies Act, are pleased to present their report together with the audited financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 24 of the attached financial statements and comply with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

#### **Objectives and principal activities**

Ark UK Programmes has the principal objective of advancing the education of the public. It provides a home to mission-aligned organisations, helping them to grow into sustainable entities, often resulting in them becoming independent organisations. In 2021/22, the charity continued to incubate three Ark ventures: Ark Curriculum+ (AC+), Ark Start, and MESME. The contribution made by these ventures to achieve the objectives of Ark UK Programmes is described from page 4.

#### **Organisation**

Ark UK Programmes is a company limited by guarantee (Company No. 05932797) and a registered charity in England and Wales (Charity No. 1137932). The charity is governed by its Memorandum and Articles of Association. It is a fully owned subsidiary of Absolute Return for Kids (ARK) (referred to throughout as 'Ark', charity registration number 1095322, company registration number 04589451), a charity established to improve the life chances of children, which runs projects around the world. One of the directors of Ark UK Programmes is also a director of Ark. The Chief Executive and Deputy Chief Executive of Ark UK Programmes are also the Chief Executive and Deputy Chief Executive of Ark.

In furtherance of its objects, Ark UK Programmes works closely with Ark Schools, a network of 39 schools. Lord Fink and Lucy Heller are also directors of Ark Schools.

The board of trustees, which can have up to ten members, administers the company. The activities of the charity, as determined by the board of trustees, are carried out under the direction of the Chief Executive.

#### **Trustees**

The trustees are also directors of Ark UK Programmes for the purposes of company law.

The following individuals served as directors during the financial year and up to the date these financial statements were approved:

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Michael Clark

Lord Fink

Lucy Heller

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All directors served for the full year. Lord Fink did not have any beneficial interest in the organisation, nor did he receive any remuneration during the period. Lucy Heller and Michael Clark received remuneration from Ark for their respective roles as Chief Executive and Deputy Chief Executive (see note 8).

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**Trustees** (continued)

New trustees may be appointed either by the board or by means of an ordinary resolution of the charity. On agreeing to become a trustee of the charitable company, the trustees are briefed by their co-directors on the history of the charitable company, day-to-day management, the responsibilities of trustees, current objectives, and future plans. The trustees are also encouraged to attend any courses relevant to their role, and to keep up to date with changes in legislation.

**Key management personnel**

The trustees consider the board of trustees, and the senior management team to comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the charity on a day-to-day basis. The Chief Executive and Deputy Chief Executive make up the senior management team and are remunerated by Ark.

Ark UK Programmes' key management salaries are set on appointment and reviewed annually in accordance with the pay review procedures operated by the parent organisation, Ark. The Deputy Chief Executive of Ark approves all salaries on appointment and any base salary in excess of £75,000 per annum is also approved by the Chief Executive of Ark. Annual reviews are subject to the same approval.

**Risk management**

Ark UK Programmes' management and trustees have reviewed and assessed the major risks to which the charity is exposed, and systems have been established to identify and manage those risks. Business plans for new ventures address the risks and mitigations and steering groups or shadow boards have been set up for the individual ventures. In addition, the Ark Finance and Risk Committee (FRC) formally reviews the Risk Register.

The key risks identified to date and mitigations are as follows:

- Additional competitive pressures, particularly for AC+, including the conversion of Oak National Academy into a new national curriculum body. To mitigate the risk of this, a full strategy review is underway including a review of programme design.
- The aftermath of the Covid-19 pandemic continues to put pressure on schools making it more difficult to sell the charity's new and existing products. To mitigate the risk of this, we have fundraised to secure support for Ventures should income targets be missed.
- Over-reliance on individual funders. To mitigate this risk, programme commitments are limited to available funds and pledges. The pipeline of potential funders is in continuous development.
- Ventures fail to deliver target results. Venture strategies and reviews include venture board oversight, with input from board members with appropriate expertise. Monitoring includes programme redesign if needed.
- Ark Start fails to deliver impact within existing finances due to delayed start up and lack of political focus. To mitigate this risk, communication with funders and stakeholders is continuing. This is combined with an increased focus on impact measurement and evaluation.

#### **Risk management** (continued)

- The effect of increasing costs, as a result of inflation, especially in staffing. Salary budgets are reviewed and controlled as part of the annual budget setting process. Any in year increases in salaries or new positions are subject to strict review and approval processes.
- Loss of key staff. Teams have been strengthened through the development of recruitment and retention strategies, including succession plans.
- Safeguarding incident involving Ark Start. Safeguarding policies and procedures are in place, including a full programme of training for nursery staff.

#### **Achievements and performance**

##### ***Ark Curriculum Plus***

Ark Curriculum Plus (AC+) was formed in 2019 following the merger of Mathematics Mastery, a venture since 2012, and English Mastery, a venture since 2017, and has since launched new programmes in Science, History, and Geography.

AC+ partners with schools to create high quality curricula that empower teachers to ensure that every child has the subject knowledge to succeed. It provides research-based and coherent curricula, teaching resources, and pedagogical training and support for teachers to help improve the quality of curriculum design and delivery. The AC+ curriculum programmes are having the greatest impact in schools with a high proportion of inexperienced teachers, helping them reach proficiency as quickly as possible.

##### *Achievements and performance:*

- The number of programmes in use rose from 750 to 1,000 in 2021/22, driven by the launch of new programmes (including key stage 3 science and primary programmes).
- Funding was gained to develop two new programmes (key stage 4 Maths and Science) and to help scale the Maths Mastery Primary programme.
- AC+'s existing programmes did not grow as fast as planned due to: (a) uncertainty around the future of the Government-funded Oak National Academy's free, online resources; and (b) the significant challenge on schools as they sought to find a post-pandemic equilibrium addressing drops in attendance and other significant problems leading to a deprioritisation on curriculum.

##### ***Ark Start***

Ark Start was founded to transform early education for disadvantaged children. It provides high-quality, teacher-led early education with a focus on working with parents to improve the home learning environment for pre-school children.

Ark Start is creating a new model of flexible, affordable nursery education and aims to create an exemplar group of nurseries that will accelerate outcomes for the most disadvantaged children and transform the funding of early years so that the pupils who need the most support attract the most funding.

**Achievements and performance** (continued)

***Ark Start*** (continued)

*Achievements and performance:*

- Ark Start continued to fill the two open nurseries (Ark Start John Archer in Clapham Junction and Ark Start Oval in East Croydon).
- Ark Start developed a growing coalition of partners advocating for increased funding in disadvantaged areas.
- Given the early success and the need to maximise impact on policy makers, Ark Start is pursuing plans to expand to eight nurseries to strengthen its proof of concept.

***Mathematics Education for Social Mobility and Excellence (MESME)***

Mathematics Education for Social Mobility and Excellence (MESME) exists to support students from all backgrounds to achieve mathematical excellence, so that they go on to have a greater and richer range of future personal, employment, and economic choices. It has developed and launched Maths Circles across the country for students aged 11-16. A Maths Circle is a group of students who come together to be mathematicians collectively. In Maths Circles, students grapple with intriguing questions, discover and explore exciting ideas, and learn to think like mathematicians.

Maths Circles aim to develop students' mathematical thinking and expand their mathematical curiosity. They are out-of-class maths clubs featuring a ratio of at least one mentor for every six students. Sessions include a mixture of group and independent work and aim to engage students as they follow a carefully sequenced and structured curriculum.

*Achievements and performance:*

- MESME completed a year-long pilot of the Maths Circles programme in collaboration with Ark Schools and 10 partner schools and organisations.
- During the pilot, 1,806 young people took part in Maths Circles, including 37 secondary students from eight Ark Schools. Of the total, 44 percent of participants were eligible for Pupil Premium.
- Feedback from students was overwhelmingly positive across enjoyment, engagement, and building confidence.
- MESME became an independent charity on 1 September 2022 (Charity No. 1199281) with charitable objectives to grow the impact of Maths Circles and similar programmes.

## **Future plans**

### ***Ark Curriculum Plus***

Ark Curriculum Plus's priorities for 2022/23 are:

- To increase the number of programmes being used to more than 1,150 at 940 primary and secondary schools.
- To pilot new Maths and Science programmes at key stage 4.
- To create, maintain, and deliver programmes that have a high impact on pupil progress and attainment, evidenced by impact studies and data.
- For all Ark Schools to use all AC+ programmes, and for Ark Schools teachers and Principals to feel part of programme developments.

### ***Ark Start***

In 2022/23, Ark Start plans to:

- Secure high-quality EYFS provision at Ark Start.
- Embed staff training and development.
- Continue to work towards financial sustainability.
- Further develop its family support programme.
- Engage with the Department for Education in public policy discussions.
- Provide strong EYFS support to primary schools within the Ark Schools network.

Building on the success of MESME, Ark UK Programmes is planning to launch two new programmes in 2022/23:

### ***STEM Venture Builder***

- A venture builder focused on addressing education and engagement challenges across Science, Technology, Engineering, and Maths (STEM) subjects.

### ***Martingale Foundation***

- A post-graduate scholarship programme, whose mission will be to find, fund, and support a new generation of STEM postgraduates for whom family income would otherwise be a barrier to the pursuit of academic excellence. The Foundation will begin by focusing on Masters and PhD scholarships in Maths.

As of 1 September 2023, the STEM Venture Builder and the Martingale Foundation will move to a new entity outside of Ark UK Programmes (see note 20).

#### Financial review

Total Ark UK Programmes income during the year was £5.7m (2020/21 - £5.3m), which is made up of programme income (grants and donations, programme fees, and other income from activities less endowment income). The split of programme income between the ventures was as follows:

- 69% (2020/21 - 74%) to AC+
- 16% (2020/21 - 18%) to MESME
- 15% (2020/21 - 8%) to Ark Start

The principal funding sources for the year have been grants to ventures and school payments to AC+. All expenditure has supported the charity's key objectives, as described in the review of performance above.

The net movement in funds for the year was a surplus of £0.3m (2020/21 - £0.2m). This included a loss of £0.2m (2020/21 - gain of £0.8m) on the endowments held as investments for the schools.

The charity had net assets at 31 August 2022 of £9.8m (2020/21 - £9.4m), comprising £6.1m (2020/21 - £6.3m) of endowment funds, £3.7m (2020/21 - £3.0m) of other restricted funds, and £38k (2020/21 - £53k) of unrestricted funds (the free reserves of the charity). Given the programme-related nature of the charity's activities, which are mainly funded via restricted funds, the trustees consider the level of free reserves to be satisfactory.

#### Reserves Policy

New Ark ventures are incubated only when external funding has been secured or a funding commitment has been made by Ark. For this reason, the charity's unrestricted reserve levels are expected to remain below £100k, with the majority of funds being restricted to the individual ventures. The unrestricted funds balance at 31 August 2022 was £38k, sufficient to fund more than 12-months' unrestricted expenditure. Within each of the restricted fund balances, the charity will aim to hold sufficient funds to cover 3-6 months of core programme operating costs.

Ark UK Programmes has taken all necessary steps to reduce both the operational and financial impact of the post pandemic environment and other cost pressures due to the wider economic challenges.

Costs have been closely monitored to ensure that unrestricted reserves remain sufficient to meet financial commitments and obligations.

#### Investment Policy

As at 31 August 2022, Ark UK Programmes had a portfolio of investments with a market value of £6.0m (2020/21 - £6.3m).

There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and considers income requirements, the risk profile, and the investment manager's view of the market prospects in the medium term. The overall investment policy is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five-year period.

**Investment Policy** (continued)

Financial derivative products are used to ameliorate the risk associated with holding investments in foreign currencies. A trustee and management meet with the investment managers at least annually to review the performance of the portfolio and the investment strategy. The trustees are satisfied that their investment policy is being achieved.

**Public Benefit**

Ark UK Programmes exists to advance the education of the public. The trustees have paid due regard to the Charity Commission's public benefit guidance and are satisfied that the charity complies with Section 4 of the Charities Act 2011. The sections at the beginning of this trustees' report dealing with objectives and achievements explain in detail the activities of the charity and how the public, specifically children, benefit from its work.

**Approach to fundraising**

Ark fundraises from a defined list of individuals, companies, and charitable trusts and foundations. This list is carefully considered, and approaches are only made to those we already have a connection to, or where we think there would be an interest in Ark's work. Ark's network of schools conducts their own fundraising and may use fundraising platforms to promote specific school campaigns, including Just Giving.

Ark's fundraising is led by a small team of professional fundraisers and support staff employed by Ark – we do not out-source fundraising activities. Our activity is based on individual relationships with donors. Donor data is handled with care – all information is held on a secure database and files managed by Ark.

Ark is a paid member of the Fundraising Regulator, and we comply with the advice and guidance set by the body. We have not received any fundraising complaints.

### Statement of trustees' responsibilities

The trustees (who are also directors of Ark UK Programmes for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 income and expenditure of the charitable company 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 in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper 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. 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.

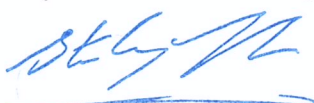
Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the company and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf by Lord Fink:



Trustee

Date: 17/05/2023

### **Opinion**

We have audited the financial statements of Ark UK Programmes (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies, and the notes to the financial statements. 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 August 2022 and of its 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.

### **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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 trustees' report, which is also the directors' report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company 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 trustees 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 trustees 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**

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 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, data protection legislation, anti-bribery, employment, and health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

**Auditor's responsibilities for the audit of the financial statements**  
(continued)

- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ used data analytics to investigate the rationale behind any significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of meetings of those charged with governance;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**Independent auditor's report to the member of Ark UK Programmes** Year ended 31 August 2022

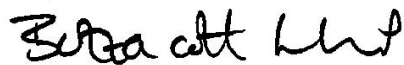
**Auditor's responsibilities for the audit of the financial statements**  
(continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 member, 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 charitable company's member 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 and the charitable company's member as a body, for our audit work, for this report, or for the opinions we have formed.

26 May 2023



Katharine Patel, Senior Statutory Auditor  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

## Ark UK Programmes

### Statement of financial activities- Year ended 31 August 2022

	Notes	Unrestricted £'000	Restricted £'000	Endowments £'000	Year ended 31 August 2022 Total £'000	Year ended 31 August 2021 Total £'000
<b>Income from:</b>						
Donations and legacies:						
Grants and donations	2a	1	3,109	-	<b>3,110</b>	2,008
Donated services	2b	-	-	-	-	35
Charitable activities						
Programme fees	2c	-	2,365	-	<b>2,365</b>	2,676
Other income from activities	2c	-	194	-	<b>194</b>	467
Investments	3	-	65	-	<b>65</b>	92
<b>Total income</b>	<b>6</b>	<b>1</b>	<b>5,733</b>	<b>-</b>	<b>5,734</b>	<b>5,278</b>
<b>Expenditure on:</b>						
Raising funds						
Investment management fees		-	-	61	<b>61</b>	57
Interest on finance lease		-	-	1	<b>1</b>	1
Charitable activities						
Support to programmes	4,5	16	5,113	-	<b>5,129</b>	5,060
Donated services	2b,4	-	-	-	-	35
Transfers to Now Teach	20	-	-	-	-	706
<b>Total expenditure</b>	<b>6</b>	<b>16</b>	<b>5,113</b>	<b>62</b>	<b>5,191</b>	<b>5,859</b>
Net (expenditure) income before						
(losses) gains on investments		(15)	620	(62)	<b>543</b>	(581)
(Losses) gains on investments	9, 10	-	-	(224)	<b>(224)</b>	785
Net (expenditure) income and						
net movement in funds		<b>(15)</b>	<b>620</b>	<b>(286)</b>	<b>319</b>	204
<b>Reconciliation of funds</b>						
<b>Funds brought forward</b>						
<b>at 1 September 2021</b>		<b>53</b>	<b>3,043</b>	<b>6,341</b>	<b>9,437</b>	9,233
<b>Funds carried forward at 31</b>						
<b>August 2022</b>	<b>6</b>	<b>38</b>	<b>3,663</b>	<b>6,055</b>	<b>9,756</b>	9,437

There were no recognised gains and losses in the period other than those stated above.

## Ark UK Programmes

### Statement of financial activities- Year ended 31 August 2022

	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Year ended</b>	Continuing operations	Discontinued operations	Year ended
	<b>2022</b>	<b>2022</b>	<b>2022</b>	2021	2021	2021
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	£'000	£'000	£'000
Total income	5,734	-	5,734	5,278	-	5,278
Total expenditure	(5,129)	-	(5,129)	(5,801)	-	(5,801)
<b>Net income (expenditure) for the year</b>	<b>605</b>	<b>-</b>	<b>605</b>	<b>(523)</b>	<b>-</b>	<b>(523)</b>

The income and expenditure account above excludes the movement on the endowments fund. It is stated before losses/gains on investments and transfers.

The summary income and expenditure account is derived from the statement of financial activities on page 15 which, together with the notes to the financial statements on pages 20 to 367, provides full information on the movements during the year on all the funds of the charity.

Total income of £5,734k (2020/21 - £5,278k) comprises £1k (2020/21 - £12k) in relation to unrestricted funds and £5,733k (2020/21 - £5,266k) in relation to restricted funds. A detailed analysis of income and expenditure by source is provided in the statement of financial activities and the notes to the financial statements.

Net income for the year of £605k (2020/21 – net expenditure of £523k) comprises net expenditure of £15k (2020/21 - £12k net income) in relation to unrestricted funds and net income of £620k (2020/21 – net expenditure of £535k) in relation to restricted funds, as shown in the statement of financial activities.

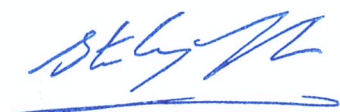
Note that the above includes the one-off transfer in 2021 to Now Teach.

## Ark UK Programmes

### Balance sheet 31 August 2022

	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Investment property	9	656	746
Investment assets	10	6,041	6,282
		<u>6,697</u>	<u>7,028</u>
<b>Current assets</b>			
Debtors	11	3,265	1,693
Short term deposits		572	572
Cash at bank and in hand		717	1,911
		<u>4,554</u>	<u>4,176</u>
<b>Creditors: amounts due within one year</b>	12	<b>(1,464)</b>	<b>(1,641)</b>
<b>Net current assets</b>		<u><b>3,090</b></u>	<u>2,535</u>
<b>Total assets less current liabilities</b>		<b>9,787</b>	9,563
<b>Creditors: amounts due after more than one year</b>	13	<b>(31)</b>	<b>(126)</b>
<b>Net assets</b>		<u><b>9,756</b></u>	<u>9,437</u>
<b>The funds of the charity</b>			
Unrestricted general funds		38	53
Restricted funds		3,663	3,043
Endowment funds		6,055	6,341
<b>Total funds</b>	6	<u><b>9,756</b></u>	<u>9,437</u>

Approved by the board of trustees and signed on its behalf by:



Lord Fink

Trustee

Date: 18/05/2023

Company registration no: 05932797

## Ark UK Programmes

### Statement of cash flows Year to 31 August 2022

	Notes	2022 £'000	2021 £'000
<b>Cash flows from operating activities:</b>			
Net cash (used in) operating activities	A	(1,266)	(845)
<b>Cash (used in) operating activities</b>		<b>(1,266)</b>	<b>(845)</b>
<b>Cash flows from investing activities:</b>			
Investment income		65	92
Proceeds from the disposal of investments		2,276	3,836
Purchase of investments		(2,183)	(2,893)
<b>Net cash provided by investing activities</b>		<b>158</b>	<b>1,035</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(1,108)</b>	<b>190</b>
<b>Cash and cash equivalents at 1 September</b>	B	<b>1,943</b>	<b>1,693</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>(95)</b>	<b>60</b>
<b>Cash and cash equivalents at 31 August</b>	B	<b>740</b>	<b>1,943</b>

#### Notes to the statement of cash flows for the year to 31 August 2022.

#### A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2022 £'000	2021 £'000
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>319</b>	<b>204</b>
<b>Adjustments for:</b>		
Losses (gains) on investments	224	(785)
Investment income	(65)	(92)
(Increase) decrease in debtors	(1,572)	1,727
(Decrease) in creditors (excluding endowment creditors)	(172)	(1,899)
<b>Net cash (used in) operating activities</b>	<b>(1,266)</b>	<b>(845)</b>

Statement of cash flows Year to 31 August 2022

Notes to the statement of cash flows for the year to 31 August 2022  
(continued).

**B Analysis of cash and cash equivalents**

	<b>2022</b> <b>£'000</b>	2021 £'000
Cash at bank and in hand	717	1,911
Cash held by investment managers	<b>23</b>	32
<b>Total cash and cash equivalents</b>	<b>740</b>	1,943

Cash held by investment managers relates to the endowments invested with JP Morgan. It is not available for use by Ark UK Programmes to further charitable activities.

**C Analysis of changes in net debt**

	At 1 September 2021 £'000	Cash flows £'000	Other non-cash changes £'000	<b>At 31 August 2022 £'000</b>
Cash at bank and in hand	1,911	(1,194)	-	717
Cash held by investment managers	32	(9)	-	<b>23</b>
Short term deposits	572	-	-	<b>572</b>
	2,515	(1,203)	-	<b>1,312</b>
Finance lease obligations	(126)	95	-	<b>(31)</b>
<b>Total</b>	<b>2,389</b>	<b>(1,108)</b>	-	<b>1,281</b>

## 1 Accounting policies

### *Basis of preparation*

These financial statements have been prepared for the year to 31 August 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS102) (Charities SORP FRS102), the Charities Act 2011 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

### *Critical accounting estimates and areas of judgement*

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- Estimating the impact of inflation on the charity's income and expenditure, and assessing income from new sales and activities, for the purpose of preparing cash flow forecasts and budgets to assist in the assessment of going concern;
- Allocating support costs across charitable activities;
- Timing of income recognition for programme fees;
- Classification of leases as finance or operating;
- Determining the discount rate for future cash flows;
- Measurement of fair values of the investment property.

### *Assessment of going concern*

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees have considered the impact of the post pandemic environment and other cost pressures due to the wider economic challenges. The trustees have looked at the financial position, including income, expenditure, and reserves, and have acknowledged that some areas of work continue to be challenging, for example AC+ activity in UK schools. The trustees do not consider the post-pandemic environment or other cost pressures due to wider economic challenges to be a cause for material uncertainty in respect of the ability of the charity to continue as a going concern.

**1 Accounting policies** (continued)

***Assessment of going concern*** (continued)

A number of areas of judgement that affect items in the accounts have been identified above. In addition, the most significant areas that affect the carrying value of the assets held by the charity in the next accounting period (the year ending 31 August 2023) are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information). The trustees remain of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

In the unlikely event that the charity was unable to meet its liabilities, the parent charity, Ark, would provide the necessary financial support in the form of a grant or loan.

The trustees have therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

***Fund accounting***

Restricted funds are those which are to be used for a specified purpose as stipulated by the donor and agreed by the charity.

Unrestricted funds are those which the donor gives to the charity without stipulating a specific purpose. They are to be used for the furtherance of the objects of the charity in general and may be applied to specific projects at the discretion of the trustees to further the charity's purposes.

The endowment fund represents monies invested on behalf of individual Ark academies. Any returns generated on these funds can be used without restriction, but only by the academy in question, and are therefore recognised as restricted income. The initial capital can only be used with agreement of the Secretary of State for Education, unless it is spent on 'equipment, facilities, accommodation, landscaping, and signage' at the relevant academy. The Ark All Saints Academy endowment is a permanent endowment for which Ark UK Programmes has been appointed as the trustee.

All income and expenditure is shown in the Statement of Financial Activities.

***Income***

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received. Where a service is provided over a period that spans more than one accounting period, a judgement is made as to the amount of income that should be accrued or deferred.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

**1 Accounting policies (continued)**

***Expenditure***

Liabilities, including those relating to staff costs and redundancies, are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category.

Ark UK Programmes is registered for VAT and reclaims VAT in its business-related expenditure. Irrecoverable VAT is included in expenditure when incurred.

Costs of raising funds are those incurred in seeking donations for the charity and in publicising the work of the charity.

Expenditure on charitable activities comprise expenditure related to the direct furtherance of the charity's objectives. In the accounts of the charity, the award of a grant is recorded as charitable expenditure and the unspent amount is held in the balance sheet as a grant creditor.

***Allocation of overhead and support costs***

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, payroll, and Governance costs which support the charity's programmes and activities. Governance costs are those incurred in connection with the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements.

Where costs cannot be directly attributed, they have been allocated to activities. The basis for the allocation of support costs to charitable activities is set out in note 5 to the financial statements.

***Volunteers and donated services***

With the exception of trustees, patrons and a small number of advisors who all provide their services on a voluntary basis, the charity does not rely upon volunteers or donated services in delivering services. The financial value of services donated by advisors is included as expenditure at an estimated fair value and a corresponding value of income is included as an in-kind donation.

***Discontinued activities***

Where a decision has been made to discontinue or terminate an activity in accordance with the definitions contained within FRS 102, income, costs, and obligations associated with the discontinuing operation are recognised within the year. The income, costs, and obligations are disclosed separately on the face of the statement of financial activities.

***Investments***

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

**1 Accounting policies** (continued)

***Investments*** (continued)

A fair value hierarchy that prioritises the inputs to valuation techniques is used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The levels of fair value hierarchy are described below:

- Level 1 (listed investments) – Unadjusted quoted process in active markets that are accessible at the measurement date for identical, unrestricted assets, or liabilities;
- Level 2 (unlisted investments) – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable either directly or indirectly; and
- Level 3 (unlisted investments) – Prices or valuation that requires inputs that are both significant to the fair value measurement and unobservable.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices for an identical instrument, dealer quotations, or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub-sectors.

***Investment Property***

Investment property is held by Ark UK Programmes to earn rentals and for capital appreciation, rather than for use in the ordinary course of business. Investment properties are measured at cost and subsequently at fair value at the reporting date. Professional advice is sought as appropriate to determine the valuation of investment property. Changes in fair values are recognised in the statement of financial activities.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised. The cost of maintenance, repairs, and minor improvements is recognised in the statement of financial activities when occurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the statement of financial activities.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the rate of exchange ruling at the balance sheet date.

**1 Accounting policies (continued)**

***Operating lease***

Operating lease rentals are charged on a straight-line basis over the term of the lease. These are included in the Charitable Activities expenditure in the Statement of Financial Activities.

***Finance lease***

A finance lease is recognised when it is determined that the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee.

At the commencement of the lease term, Ark UK Programmes recognises its rights of use and obligations under the finance lease as an asset and a liability in the balance sheet at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. Where the implicit rate cannot be determined, the charity's incremental borrowing rate is used.

Any initial direct costs are added to the amount recognised as an asset. Subsequently, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method, including updating the effective interest rate to reflect the charity's incremental cost of capital. This rate was 3.20% (2020/21 - 0.74%).

***Debtors***

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

***Cash at bank and in hand***

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

***Creditors and provisions***

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment when such discounting is material.

**2 a. Grants and Donations**

During the year, the organisation received the following grants and donations:

<b>2022</b>	Unrestricted £'000	Restricted £'000	Endowments £'000	<b>Total 2022 £'000</b>
Ark Curriculum+	-	1,455	-	<b>1,455</b>
Ark Start	-	714	-	<b>714</b>
MESME	-	905	-	<b>905</b>
Martingale Foundation	-	35	-	<b>35</b>
Unrestricted	1	-	-	<b>1</b>
<b>2022 total</b>	<b>1</b>	<b>3,109</b>	-	<b>3,110</b>

<i>2021</i>	<i>Unrestricted £'000</i>	<i>Restricted £'000</i>	<i>Endowments £'000</i>	<i>Total 2021 £'000</i>
<i>Ark Curriculum+</i>	-	406	-	406
<i>Ark Curriculum+ (DCMS)</i>	-	350	-	350
<i>Ark Start</i>	-	383	-	383
<i>MESME</i>	-	869	-	869
<b>2021 total</b>	-	2,008	-	2,008

**2 b. Donated Services**

During the year, the organisation did not receive any donated services (2020/21 - £35,000 for Ark Curriculum+). Donated services, for example event space, are valued at the open market cost as determined by the supplier.

**2 c. Income from charitable activities**

<b>2022</b>	Unrestricted £'000	Restricted £'000	Endowments £'000	<b>Total 2022 £'000</b>
<b>Programme fees</b>				
Ark Curriculum+	-	2,270	-	<b>2,270</b>
Ark Start	-	95	-	<b>95</b>
	-	<b>2,365</b>	-	<b>2,365</b>
<b>Other income from charitable activities</b>				
Ark Curriculum+	-	169	-	<b>169</b>
Ark Start	-	25	-	<b>25</b>
	-	<b>194</b>	-	<b>194</b>
<b>2022 total</b>	-	<b>2,559</b>	-	<b>2,559</b>

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2022

#### 2 c. Income from charitable activities (continued)

<i>2021</i>	<i>Unrestricted £'000</i>	<i>Restricted £'000</i>	<i>Endowments £'000</i>	<i>Total 2021 £'000</i>
<b>Programme fees</b>				
<i>Ark Curriculum+</i>	-	2,645	-	2,645
<i>Ark Start</i>	-	31	-	31
	-	2,676	-	2,676
<b>Other income from charitable activities</b>				
<i>Ark Curriculum+</i>	-	432	-	432
<i>Ark Start</i>	-	23	-	23
<i>Other</i>	12	-	-	12
	12	455	-	467
<b>2021 total</b>	<b>12</b>	<b>3,131</b>	<b>-</b>	<b>3,143</b>

#### 3 Investment income

<b>2022</b>	<b>Unrestricted £'000</b>	<b>Restricted £'000</b>	<b>Total 2022 £'000</b>
Income and interest from listed investments	-	54	54
Income from investment property	-	11	11
<b>2022 total</b>	<b>-</b>	<b>65</b>	<b>65</b>

<i>2021</i>	<i>Unrestricted £'000</i>	<i>Restricted £'000</i>	<i>Total 2021 £'000</i>
<i>Income and interest from listed investments</i>	-	72	72
<i>Income from investment property</i>	-	20	20
<b>2021 total</b>	<b>-</b>	<b>92</b>	<b>92</b>

In 2009/10, Ark UK Programmes was given responsibility for the administration of the endowments held on behalf of individual Ark academies. These funds are invested with JP Morgan and the relationship is set out in a Deed of Gift between Ark UK Programmes, Ark, and the Secretary of State for Education. King Solomon Academy contributed an additional £750k into its endowment, which is outside of the Deed of Gift. In January 2015, Ark UK Programmes was appointed as the trustee of an endowment held under a Trust Deed for Ark All Saints Academy (formerly St Michael and All Angels Church of England Academy). The value of the endowment transferred into Ark UK Programmes was £607k.

## 4 Analysis of charitable expenditure

<b>2022</b>	Activities undertaken directly £'000	Donated services (see note 2b) £'000	Grant funding of activities £'000	Support costs (see note 5) £'000	<b>Total 2022</b> <b>£'000</b>
<b>Charitable expenditure</b>					
Ark Curriculum+	3,244	-	-	112	<b>3,356</b>
Ark Start	730	-	-	57	<b>787</b>
MESME	921	-	-	1	<b>922</b>
Martingale Foundation	35	-	-	-	<b>35</b>
Endowment programme	7	-	-	6	<b>13</b>
Unrestricted	4	-	-	12	<b>16</b>
<b>2022 total</b>	<b>4,941</b>	-	-	<b>188</b>	<b>5,129</b>

<i>2021</i>	<i>Activities undertaken directly</i> <i>£'000</i>	<i>Donated services (see note 2b)</i> <i>£'000</i>	<i>Grant funding of activities</i> <i>£'000</i>	<i>Support costs (see note 5)</i> <i>£'000</i>	<i>Total 2021</i> <i>£'000</i>
<b>Charitable expenditure</b>					
Ark Curriculum+	3,351	35	-	130	3,516
Ark Curriculum+ (DCMS)	350	-	-	-	350
Ark Start	572	-	277	12	861
MESME	71	-	275	8	354
Endowment programme	8	-	-	6	14
<b>2021 total</b>	<b>4,352</b>	<b>35</b>	<b>552</b>	<b>156</b>	<b>5,095</b>

## 5 Allocation of support costs

<b>2022</b>	Finance £'000	HR £'000	Governance £'000	Other overheads and support staff £'000	<b>Total 2022</b> <b>£'000</b>
<b>Charitable expenditure</b>					
Ark Curriculum+	50	13	7	42	<b>112</b>
Ark Start	47	5	2	3	<b>57</b>
MESME	-	-	1	-	<b>1</b>
Endowment programme	5	-	1	-	<b>6</b>
Unrestricted	-	-	12	-	<b>12</b>
<b>2022 total</b>	<b>102</b>	<b>18</b>	<b>23</b>	<b>45</b>	<b>188</b>

Finance and HR costs are allocated on the basis of time spent on each programme. Other overheads consist of the desk charge, which is allocated on the basis of the number of desks reserved for each programme, IT costs, and any remaining core costs.

**5 Allocation of support costs (continued)**

The allocation of support costs to activities in note 4 provides a more accurate picture of the full costs of these activities. It does not represent use of programme funds.

<i>2021</i>	<i>Finance £'000</i>	<i>HR £'000</i>	<i>Governance £'000</i>	<i>Other overheads and support staff £'000</i>	<i>Total 2021 £'000</i>
<b>Charitable expenditure</b>					
<i>Ark Curriculum+</i>	67	15	8	40	130
<i>Ark Start</i>	-	10	-	2	12
<i>MESME</i>	6	1	1	-	8
<i>Endowment programme</i>	5	-	1	-	6
<b>2021 total</b>	<b>78</b>	<b>26</b>	<b>10</b>	<b>42</b>	<b>156</b>

**6 Analysis of net movement in funds**

<b>2022</b>	<i>At 1 September 2021 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains/ (losses) and transfers £'000</i>	<b>At 31 August 2022 £'000</b>
<b>Restricted funds</b>					
<i>Ark Curriculum+</i>	1,567	3,894	(3,356)	-	<b>2,105</b>
<i>Ark Start</i>	509	834	(787)	-	<b>556</b>
<i>MESME</i>	513	905	(922)	-	<b>496</b>
<i>Martingale Foundation</i>	-	35	(35)	-	-
<i>Ark Schools endowment interest</i>	454	65	(13)	-	<b>506</b>
<b>2022 total</b>	<b>3,043</b>	<b>5,733</b>	<b>(5,113)</b>	<b>-</b>	<b>3,663</b>
<b>Endowment funds</b>	<b>6,341</b>	<b>-</b>	<b>(62)</b>	<b>(224)</b>	<b>6,055</b>
<b>Unrestricted funds</b>					
<i>General</i>	53	1	(16)	-	<b>38</b>
<b>Total funds</b>	<b>9,437</b>	<b>5,734</b>	<b>(5,191)</b>	<b>(224)</b>	<b>9,756</b>

The restricted funds of Ark Curriculum+ have arisen from grants given specifically for use by Ark Curriculum+ plus fees from schools signed up to the programmes and via the DCMS.

The Ark Start restricted funds have arisen from the receipt of grant income for use specifically on the respective programmes.

MESME restricted funds have arisen from the receipt of grant income to support students to achieve mathematical excellence under the Maths Circles programme following on from the success of the model established in Russia and the US.

In 2022/23, Martingale will launch as a new post-graduate scholarship programme, whose mission will be to find, fund, and support a new generation of STEM postgraduates for whom family income would otherwise be a barrier to the pursuit of academic excellence. The funds received in 2021/22 relate to set up costs and brand design.

**6 Analysis of net movement in funds (continued)**

The Ark Schools Endowment interest in restricted funds has arisen from dividends and interest paid out on the endowment investments held by Ark UK Programmes on behalf of individual Ark academies. The income is restricted for use by the Ark academy from whose endowment the income arose. The endowment fund represents monies invested on behalf of individual Ark academies. Any returns generated on these funds can be used without restriction, but only by the academy in question, and are therefore recognised as restricted income. The initial capital can only be used with agreement of the Secretary of State for Education, unless it is to be spent on 'equipment, facilities, accommodation, landscaping, or signage' at the relevant academy. The exception to this is the Ark All Saints Academy endowment for which Ark UK Programmes was appointed the trustee in January 2015. The principal sum of this endowment can only be spent with the permission of the Secretary of State.

At 31 August 2022, the balance of expendable endowments was £5,209k (2020/21 - £5,461k) and the balance of permanent endowments was £846k (2020/21 - £880k).

In the year, £62k expenditure was made from endowments (2020/21 - £58k); £61k for investment manager fees (2020/21 - £57k) and £1k interest on the finance lease (2020/21 - £1k, note 14).

<i>2021</i>	<i>At 1 September 2020 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains/ (losses) and transfers £'000</i>	<i>At 31 August 2021 £'000</i>
<b>Restricted funds</b>					
Ark Curriculum+	1,565	3,518	(3,516)	-	1,567
Ark Curriculum+ (DCMS)	-	350	(350)	-	-
Ark Start	932	437	(860)	-	509
MESME	-	869	(356)	-	513
Ark Schools endowment interest	375	92	(13)	-	454
Now Teach	706	-	(706)	-	-
<b>2021 total</b>	<b>3,578</b>	<b>5,266</b>	<b>(5,801)</b>	<b>-</b>	<b>3,043</b>
<b>Endowment funds</b>	<b>5,614</b>	<b>-</b>	<b>(58)</b>	<b>785</b>	<b>6,341</b>
<b>Unrestricted funds</b>					
General	41	12	-	-	53
<b>Total funds</b>	<b>9,233</b>	<b>5,278</b>	<b>(5,859)</b>	<b>785</b>	<b>9,437</b>

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2022

#### 7 Net movement in funds

Net movement in funds is stated after charging:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Statutory audit fees	<b>9</b>	8

#### 8 Staff costs and numbers

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Salaries and wages	<b>2,464</b>	2,398
Social security costs	<b>279</b>	258
Pension costs	<b>266</b>	268
	<b>3,009</b>	2,924

No redundancy and ex-gratia severance payments were made in the year (2020/21 – £35,873).

The average number of staff employed during the period was:

	<b>Headcount</b>	
	<b>2022</b>	2021
Charitable activities	<b>49</b>	48
Support to activities	<b>5</b>	4
	<b>54</b>	52

The number of employees during the period who earned over £60,000 in the year (including benefits) was as follows:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
£60,001 - £70,000	<b>2</b>	6
£70,001 - £80,000	<b>2</b>	2
£90,001 - £100,000	<b>1</b>	1
£100,001 - £110,000	<b>1</b>	-
£110,001 - £120,000	<b>1</b>	1
	<b>7</b>	10

The pension contributions made on behalf of the above employees was £64,535 (2020/21 - £49,839)

Key management personnel of Ark UK Programmes comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including pension and social security contributions) received by key management personnel was £112,047 (2020/21 - £108,195). Payment to all key management personnel was made by the parent charity, Ark.

**9 Investment property**

	Land and buildings £'000	<b>Total £'000</b>
<b>Cost or valuation:</b>		
At 1 September 2021	746	<b>746</b>
Decrease in fair value	(90)	<b>(90)</b>
At 31 August 2022	<u>656</u>	<u><b>656</b></u>
Carrying amount at 31 August 2022	<u>656</u>	<u><b>656</b></u>

The long leasehold investment property is held at fair value. Completion of the property was on 20 May 2016. The trustees have performed the valuation of the property at 31 August 2022 based on publicly available information.

Included in the amount for investment property is £31,387 (2020/21 - £125,653) relating to assets held under a finance lease (note 14).

**10 Investment assets**

	<b>2022 £'000</b>	2021 £'000
<b>Listed investments</b>		
Market value at 1 September	<b>6,250</b>	6,466
Additions to investments at cost	<b>2,183</b>	2,893
Disposals at market value - proceeds: £2,276k (2020/21: £3,836k); gain £34k (2020/21: loss £49k)	<b>(2,310)</b>	(3,787)
Net unrealised investment (loss) gain	<b>(105)</b>	678
Market value at 31 August	<b>6,018</b>	6,250
<b>Cash held by investment managers for reinvestment</b>	<b>23</b>	32
	<u><b>6,041</b></u>	<u>6,282</u>
Cost of listed investments at 31 August	<u><b>5,631</b></u>	<u>5,420</u>

All listed investments were traded on a recognised stock exchange. Listed investments held at 31 August 2022 comprised the following:

	<b>2022 £'000</b>	2021 £'000
Overseas equities	<b>3,523</b>	3,857
Fixed interest	<b>1,889</b>	1,755
Alternative assets	<b>606</b>	638
	<u><b>6,018</b></u>	<u>6,250</u>

**10 Investment assets** (continued)

All investments are held in a portfolio of diversified funds. Accordingly, no individual holding is considered to be material when compared to the total value of the listed investment portfolio at 31 August 2022.

Foreign exchange forward contracts are used to ameliorate the risk associated with holding investments in foreign currencies. These are held by the investment managers and form part of their strategy for managing risk.

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Unrealised gains included above:</b>		
On investments	<b>387</b>	830
<b>Total unrealised gains at 31 August</b>	<b>387</b>	830
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 September	<b>830</b>	364
Less: in respect to disposals in the year	<b>(338)</b>	(212)
Add: net unrealised (losses) gains	<b>(105)</b>	678
<b>Total unrealised gains at 31 August</b>	<b>387</b>	830

**11 Debtors**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Trade debtors	<b>661</b>	419
Prepayments and other debtors	<b>315</b>	155
Accrued income	<b>365</b>	61
Amounts due from Absolute Return for Kids (Ark) (note 17)	<b>1,924</b>	1,058
	<b>3,265</b>	1,693

**12 Creditors: Amounts falling due within one year**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Accruals	<b>296</b>	313
Trade creditors	<b>81</b>	148
Deferred income	<b>690</b>	621
Amounts due to Absolute Return for Kids (Ark) (note 17)	-	282
Amounts due to Ark Schools (note 17)	<b>269</b>	180
Taxation and social security	<b>84</b>	77
Other creditors	<b>44</b>	20
	<b>1,464</b>	1,641

**12 Creditors: Amounts falling due within one year** (continued)

Deferred income relates to programme fees for Ark Curriculum+ received in advance for delivery in the following financial year. The movements in deferred income are analysed below:

	At 31 August 2021 £'000	Released from previous year £'000	Deferred in current year £'000	At 31 August 2022 £'000
Programme fees	621	(621)	690	<b>690</b>
<b>Total deferred income</b>	<b>621</b>	<b>(621)</b>	<b>690</b>	<b>690</b>

**13 Creditors: Amounts falling due after more than one year**

	2022 £'000	2021 £'000
Finance lease liability	<b>31</b>	126
	<b>31</b>	126

**14 Finance lease**

The future minimum finance lease payments are as follows:

	2022 £'000	2021 £'000
Not later than one year*	-	-
Later than one year and not later than five years	<b>2</b>	2
Later than five years	<b>300</b>	301
Total gross payments	<b>302</b>	303
Less: finance charges	<b>(271)</b>	(177)
<b>Carrying amount of liability</b>	<b>31</b>	126

\*Lease payments of £400 are due in no later than one year.

The finance lease relates to the investment property (note 9). There are no contingent rental, renewal, or purchase option clauses.

## 15 Analysis of net assets between funds

<b>2022</b>	Unrestricted General fund £'000	Restricted funds £'000	Endowment funds £'000	<b>Total £'000</b>
<b>Fund balances at 31 August 2022 are represented by:</b>				
Investment assets	-	506	6,191	<b>6,697</b>
Current assets	235	4,258	61	<b>4,554</b>
Creditors: amounts falling due within one year	(197)	(1,101)	(166)	<b>(1,464)</b>
Creditors: amounts falling due in more than one year	-	-	(31)	<b>(31)</b>
<b>Total net assets</b>	<b>38</b>	<b>3,663</b>	<b>6,055</b>	<b>9,756</b>

<i>2021</i>	<i>Unrestricted General fund £'000</i>	<i>Restricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>Total £'000</i>
<b>Fund balances at 31 August 2021 are represented by:</b>				
<i>Investment assets</i>	<i>-</i>	<i>451</i>	<i>6,577</i>	<i>7,028</i>
<i>Current assets</i>	<i>134</i>	<i>3,986</i>	<i>56</i>	<i>4,176</i>
<i>Creditors: amounts falling due within one year</i>	<i>(81)</i>	<i>(1,394)</i>	<i>(166)</i>	<i>(1,641)</i>
<i>Creditors: amounts falling due in more than one year</i>	<i>-</i>	<i>-</i>	<i>(126)</i>	<i>(126)</i>
<b>Total net assets</b>	<b>53</b>	<b>3,043</b>	<b>6,341</b>	<b>9,437</b>

## 16 Trustees' remuneration and expenses

The Chief Executive became a trustee of the charity on 1 September 2010. The Deputy Chief Executive became a trustee of the charity on 24 January 2019. For the year ended 31 August 2022, their combined remuneration by the parent charity, Ark, (including performance related bonus but excluding employer's national insurance contributions) in relation to their roles in Ark UK Programmes was £90,930 (2020/21 - £87,536) and employer's pension contribution were £8,800 (2020/21 - £8,525). No expenses were reimbursed through Ark UK Programmes. No other trustees of the company received any payment or other emoluments from the charity in the period.

**17 Related party transactions**

The charity is a wholly owned subsidiary of Absolute Return for Kids (Ark). Ark UK Programmes has taken advantage of the exemption available under Section 33 of FRS102 Related Party Disclosure not to disclose group transactions between the charity and its parent.

During the year, the organisation had the following transactions with Ark Schools. Ark Schools is an Ark family member, Lord Fink and Lucy Heller are also trustees of Ark Schools.

*Income from Ark Schools and individual Ark academies:*

- £118k (2020/21 - £272k) towards the costs of the Ark Curriculum+ resources and training and shared supplier accounts.

*Expenditure incurred with Ark Schools:*

- £136k (2020/21 - £212k) towards rent and service charges for shared office space with Ark Schools.
- £32k (2020/21 - £32k) towards technology services provided by Ark Schools.

Amounts due from and to Ark and Ark Schools are included within notes 11 and 12 respectively.

£0.1m (2020/21 - £0.3m) income was received in the year from The Education Endowment Foundation. Lucy Heller is a trustee of The Education Endowment Foundation and is also a trustee of Ark UK Programmes.

**18 Ultimate parent undertaking**

During the year under review, the company's immediate and ultimate parent undertaking was Absolute Return for Kids (ARK). Ark is registered in England as a charitable company limited by guarantee (company registration number 04589451; charity registration number 1095322). For the period under review, Ark has included Ark UK Programmes within its group financial statements, copies of which are available at its registered office: The Yellow Building, 1 Nicholas Road, London, W11 4AN.

**19 Taxation**

Ark UK Programmes has charitable status (charity number 1137932). Given the nature of its activities, the charity will not be subject to income tax or corporation tax on income derived from its charitable activities, as it would fall within the various exemptions available to registered charities.

**20 Post balance sheet events**

On 1 September 2022, MESME became an independent charity (Charity No. 1199281) with charitable objectives to grow the impact of Maths Circles and similar programmes. MESME will therefore not be included within the Ark UK Programmes' accounts in future years.

In response to the significant growth over recent years, the Ark board approved the spin-out of a new organisation that would enable Ark UK Programmes' non-schools ventures to become independent and continue to expand. Accordingly, as of 1 September 2023, the STEM Venture Builder and the Martingale Foundation will move to a new entity outside of Ark UK Programmes, alongside Ark employees who currently support these programmes. For clarity, Ark Curriculum+ and Ark Start will remain part of Ark UK Programmes.

**21 Comparative statement of financial activities for continuing operations**

	Notes	Unrestricted £'000	Restricted £'000	Endowments £'000	Year ended 31 August 2021 Total £'000
Income from:					
Donations and legacies:					
Grants and donations	2a	-	2,008	-	2,008
Donated services	2b	-	35	-	35
Charitable activities					
Programme fees	2c	-	2,676	-	2,676
Other income from activities	2c	12	455	-	467
Investments	3	-	92	-	92
Total income	6	12	5,266	-	5,278
Expenditure on:					
Raising funds					
Investment management fees		-	-	57	57
Interest on finance lease		-	-	1	1
Charitable activities					
Support to programmes	4,5	-	5,060	-	5,060
Donated services	2b,4	-	35	-	35
Transfers to Now Teach	20	-	706	-	706
Total expenditure	6	-	5,801	58	5,859
Net income (expenditure) before gains on investments		12	(535)	(58)	(581)
Gains on investments	10	-	-	785	785
Net income (expenditure) and net movement in funds		12	(535)	727	204
Reconciliation of funds					
Funds brought forward at 1 September 2020		41	3,578	5,614	9,233
Funds carried forward at 31 August 2021	6	53	3,043	6,341	9,437

There were no recognised gains and losses in the period other than those stated above.

**ARK UK PROGRAMMES**

England & Wales - Charity number 1137932

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# Accounts

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**Ark UK Programmes**

**Annual Report and Financial  
Statements**

31 August 2021

Company limited by guarantee  
registration number 05932797  
(England and Wales)

Charity registration number 1137932

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**Reference and administrative details**

<b>Trustees</b>	Lord Fink Lucy Heller Michael Clark
<b>Company Secretary</b>	Elizabeth Dawson
<b>Chief Executive</b>	Lucy Heller
<b>Registered Office</b>	The Yellow Building 1, Nicholas Road London W11 4AN
<b>Company registration number</b>	05932797
<b>Charity registration number</b>	1137932
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank plc 95 George Street Croydon CR9 2NS
<b>Solicitor</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
<b>Investment manager</b>	JP Morgan International Bank 25 Bank Street Canary Wharf London E14 5JP

The trustees, who are also directors of Ark UK Programmes for the purposes of the Companies Act, are pleased to present their report together with the audited financial statements for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 25 of the attached financial statements and comply with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

### Objectives and principal activities

Ark UK Programmes has the principal objective of advancing the education of the public. It acts as a 'seed-bed' for creating and testing new Ark ventures that support Ark's work in education in the UK. In 2020/21 three (2019/20 – three) Ark ventures were incubated: Ark Curriculum+ (following the merger of Mathematics Mastery and English Mastery), Ark Start and MESME. The contribution made by these ventures to achieve the objectives of Ark UK Programmes is described from page 4.

### Organisation

Ark UK Programmes is a company limited by guarantee (Company No. 05932797) and a registered charity in England and Wales (Charity No. 1137932). The charity is governed by its Memorandum and Articles of Association. It is a fully owned subsidiary of Absolute Return for Kids (ARK) (referred to throughout as 'Ark', charity registration number 1095322, company registration number 04589451), a charity established to improve the life chances of children, which runs projects around the world. One of the directors of Ark UK Programmes is also a director of Ark. The Chief Executive of Ark UK Programmes is also the Chief Executive of Ark.

In furtherance of its objects, Ark UK Programmes works closely with Ark Schools, a network of 39 schools. Lord Fink and Lucy Heller are also directors of Ark Schools.

The board of trustees, which can have up to ten members, administers the company. The activities of the charity, as determined by the board of trustees, are carried out under the direction of the Chief Executive.

### Trustees

The trustees are also directors of Ark UK Programmes for the purposes of company law.

The following individuals served as directors during the financial year and up to the date these financial statements were approved:

Lord Fink  
Lucy Heller  
Michael Clark

All directors served for the full year. Lord Fink did not have any beneficial interest in the organisation, nor did he receive any remuneration during the period. Lucy Heller and Michael Clark received remuneration from Ark for their respective roles as Chief Executive and Deputy Chief Executive (see note 8).

#### **Trustees** (continued)

New trustees may be appointed either by the board or by means of an ordinary resolution of the charity. On agreeing to become a trustee of the charitable company, the trustees are briefed by their co-directors on the history of the charitable company, day-to-day management, the responsibilities of trustees, current objectives, and future plans. The trustees are also encouraged to attend any courses relevant to their role, and to keep up to date with changes in legislation.

#### **Key management personnel**

The trustees consider the board of trustees, and the senior management team to comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the charity on a day-to-day basis. The Chief Executive and Deputy Chief Executive make up the senior management team.

Ark UK Programmes' key management salaries are set on appointment and reviewed annually in accordance with pay review procedures operated by the parent organisation, Ark. The Deputy Chief Executive of Ark approves all salaries on appointment and any base salary in excess of £75,000 per annum is also approved by the Chief Executive of Ark. Annual reviews are subject to the same approval.

#### **Risk management**

Ark UK Programmes' management and trustees have reviewed and assessed the major risks to which the charity is exposed, and systems have been established to identify and manage those risks. Business plans for new ventures address the risks and mitigations and steering groups or shadow boards have been set up for the individual ventures. In addition, the Ark Finance and Risk Committee (FRC) formally reviews the Risk Register.

The key risks identified to date and mitigations are as follows:

- Covid-19 and its impact on the charity's investments and projected income. Finances continue to be regularly reviewed by the key management and regular reforecasts are undertaken. Ventures have moved to virtual delivery models to reduce the impact of Covid-19 on activity as much as possible, but the disruption to the education sector has made it difficult to actively engage with schools and sell the charity's new and existing products. Major funders have been approached to secure their support for Ventures should income targets be missed as a result of the pandemic.
- Over-reliance on individual funders. To mitigate this risk, programme commitments are limited to available funds and pledges. The pipeline of potential funders is in continuous development.
- Ventures fail to deliver target results. Venture strategies and reviews include venture board oversight, with input from board members with appropriate expertise. Monitoring includes programme redesign if needed.
- Loss of key staff. Teams have been strengthened through recruitment and recruitment strategies, including succession plans, have been developed.

## **Achievements and performance**

### ***Ark Curriculum Plus***

Ark Curriculum Plus (AC+) was formed in 2019 following the merger of Mathematics Mastery, a venture since 2012, and English Mastery, a venture since 2017. Ark Curriculum Plus launched a number of programmes in Ark Schools as pilots in 2019: Science, History and Geography Mastery in Primary and Science Mastery and Geography Mastery in secondary.

AC+ partners with schools to create great curricula that empower teachers to ensure that every child has the subject knowledge to succeed.

AC+ provides research-based and coherent curricula, teaching resources and pedagogical training and support for teachers to help improve the quality of curriculum design and delivery. Our curriculum programmes are having the greatest impact in schools with a high proportion of inexperienced teachers, helping them reach proficiency as quickly as possible.

#### *Achievements and performance:*

- Despite the impact of Covid-19, AC+ has begun partnerships with an additional 50 subject departments, taking the total amount of school partnerships up to 750 across the maths, English, primary history and geography, and the new science mastery programmes.
- AC+ launched its new digital platform, MyMastery, at the beginning of 2020 providing one place for all teachers to access the curriculum, resources and training they need. They now have over 10,000 teachers using the service.
- AC+ has provided all of the primary maths content for Oak National Academy. By the end of summer term 2020, Oak National Academy had been accessed 16.5 million times with the reception year mathematics lessons being the most watched. The content then continued to be used through the academic year of 2020/21 as Covid-19 continued to cause disruption providing teachers across England with high quality content as and when remote teaching was required.
- As a result of Covid-19, we do not have latest attainment data but comments from teachers and students across our community and two third-party qualitative evaluation studies provide us with confidence that our programmes are having a positive impact on children's progress. In previous years, results have suggested that our programmes give students, on average, at least one month's additional progress in each subject programme.

**Achievements and performance** (continued)

***Ark Start***

Ark Start has been formed to transform early education for disadvantaged children. Ark Start provides high-quality, teacher-led early education with a focus on working with parents to improve the home learning environment for pre-school children. We are creating a new model of flexible, affordable nursery education.

*Achievements and performance:*

- We raised £1.56m in support of its vision for nursery education from a combination of Sequoia, the AKO Foundation, UBS, and the Mercers Company.
- We opened our first two Ark Start nurseries in 2020/21. These are located at Ark John Archer Primary in Clapham Junction, which opened in October 2020, and Ark Oval Primary in Croydon, which opened in March 2021.
- Ark Start started the year with just 38 children and ended it with 72 children on roll.
- We have recruited a team of 14 including three apprentices, the first of whom is on track to achieve her qualification in January 2022.
- Despite the Covid-19 restrictions, we launched a parent engagement programme and peer parenting programme, engaging around 50 families in total.
- Emerging data from Ark Start is strong with 74% of children making above typical progress in the key areas that make up the Early Years and Foundation Stage Framework. From a low baseline, 97% of children who've been with us for at least two terms have reached or exceeded age related expectations for vocabulary and 100% of children are at or above age-related expectations for behavioural self-regulation.
- Despite the challenges of the pandemic, all five of Ark Start's priorities for 2020/21 were achieved:
  1. Launch Ark Start at John Archer and Oval successfully
  2. Further develop the Ark Start early education model
  3. Develop and launch the family support and parent engagement programme
  4. Develop further partnerships in support of policy change
  5. Provide early years support to Ark Schools

## **Achievements and performance** (continued)

### ***MESME***

Mathematics Education for Social Mobility and Excellence (MESME) exists to support students from all backgrounds to achieve mathematical excellence, so that they go on to have a greater and richer range of future personal, employment and economic choices. MESME is developing and launching Maths Circles across the country for students aged 11-16. A Maths Circle is a group of students who come together to be mathematicians collectively. In Maths Circles, students grapple with intriguing questions, discover, and explore exciting ideas and learn to think like mathematicians. Maths Circles aim to develop students' mathematical thinking and expand their mathematical curiosity. They are out-of-class maths clubs featuring a ratio of at least one mentor for every six students. Sessions will include a mixture of group and independent work and will aim to engage students as they follow a carefully sequenced and structured curriculum.

#### *Achievements and performance:*

- MESME began piloting the Maths Circles programme in the summer term of 2021. This pilot programme was designed to measure the feasibility of the programme, trial the curriculum and materials, develop the delivery of the sessions and prepare for a full-year Maths Circles pilot in the 2021/22 academic year.
- For this first pilot, 684 students from across the UK took part in a series of between 10 and 12 Maths Circles sessions following the MESME curriculum.
- The MESME team developed 12 sessions of material for this pilot and trained over 90 mentors to teach these materials.
- Seven delivery partners and over 190 schools were involved in the pilot.
- The pilot was a huge success, supporting the preparations for a strong year-long pilot starting September 2021. The feedback was overwhelmingly positive, with 94% of students describing the Maths Circles as 'very fun' (50%) or 'quite fun' (44%) and 93% describing the content of the sessions as 'just about right for me'.
- Preparations were made for the year-long pilot, with nine delivery partners identified and a target set of 2,000 students.
- The MESME team grew with the recruitment of four more Curriculum Specialist freelancers.
- MESME also gave grants to other organisations for the delivery of programmes in line with our mission. These include an online maths programme for Year 10 students, chess provision for schools and a maths and physics programme for Year 12 students. These will take place in the 2021/22 academic year.

## **Future plans**

### ***Ark Curriculum Plus***

Ark Curriculum Plus's priorities for 2021/22 are:

- In 2021/22, AC+ is taking some of the recent pilots beyond the Ark network, launching the primary history, geography, and science mastery programmes in partnership with OUP, and the Science Mastery secondary programme to schools nationally.
- The development and launch of new programmes, to continue extending our reach into more schools and further into partner schools with a wider range of subjects and phases.
- High retention of current partner schools on our programmes. This requires us to continue to adapt our programmes to meet new needs.
- The review and improvement of feedback loops with Ark Schools and other partners for continuing improvement of AC+'s programmes.

### ***Ark Start***

Ark Start now plans to:

- Grow its roll to be serving around 150 children across the two settings.
- Implement our staff training programme more fully.
- Expand the programme by up to three sites over the next three years.

### ***MESME***

MESME's priorities for 2021/22 are:

- Successful delivery of the Maths Circles pilot to 2,000 students.
- Development of MESME's strategy, including the expansion of the Maths Circles programme in the coming years, grant making and developing new programmes.
- Establishing MESME as an independent entity.
- Building the team to deliver on the strategy and run an independent organisation.

#### Financial review

Total Ark UK Programmes income during the year was £5.3m (2019/20 - £6.9m), which is made up of programme income (grants and donations, programme fees and other income from activities less endowment income). The split of programme income between the ventures was as follows:

- 74% (2019/20 - 60%) to AC+
- 0% (2019/20 - 26%) to Now Teach
- 18% (2019/20 - 0%) to MESME
- 8% (2019/20 - 14%) to Ark Start

The principal funding sources for the year have been grants to ventures and school payments to AC+. All expenditure has supported the charity's key objectives, as described in the review of performance above.

The net movement in funds for the year was a surplus of £0.2m (2019/20 - £0.8m). This included a gain of £0.8m (2019/20 - £0.1m) on the endowments held as investments for the schools which has been negated by a one-off transfer to Now Teach of £0.7m (see note 20).

The charity had net assets at 31 August 2021 of £9.4m (2019/20 - £9.2m), comprising £6.3m (2019/20 - £5.6m) of endowment funds, £3.0m (2019/20 - £3.6m) of other restricted funds and £53k (2019/20 - £41k) of unrestricted funds (the free reserves of the charity). Given the programme-related nature of the charity's activities, which are mainly funded via restricted funds, the trustees consider the level of free reserves to be satisfactory.

#### Reserves Policy

New Ark ventures are incubated only when external funding has been secured or a funding commitment has been made by Ark. For this reason, the charity's unrestricted reserve levels are expected to remain below £100k, with the majority of funds being restricted to the individual ventures. The unrestricted funds balance at 31 August 2021 was £53k, sufficient to fund more than 12-months' unrestricted expenditure. Within each of the restricted funds balances, the charity will aim to hold sufficient funds to cover 3-6 months of core programme operating costs.

Ark UK Programmes has taken all necessary steps to reduce both the operational and financial impact of the Covid-19 pandemic. Costs have been closely monitored to ensure that unrestricted reserves remain sufficient to meet financial commitments and obligations.

#### Investment Policy

As at 31 August 2021, Ark UK Programmes had a portfolio of investments with a market value of £6.3m (2019/20 - £6.6m).

There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and considers income requirements, the risk profile and the investment manager's view of the market prospects in the medium term. The overall investment policy is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five-year period.

**Investment Policy** (continued)

Financial derivative products are used to ameliorate the risk associated with holding investments in foreign currencies. A trustee and management meet with the investment managers at least annually to review the performance of the portfolio and the investment strategy. The trustees are satisfied that their investment policy is being achieved.

**Public Benefit**

Ark UK Programmes exists to advance the education of the public. The trustees have paid due regard to the Charity Commission's public benefit guidance and are satisfied that the charity complies with Section 4 of the Charities Act 2011. The sections at the beginning of this trustees' report dealing with objectives and achievements explain in detail the activities of the charity and how the public, specifically children, benefit from its work.

**Approach to fundraising**

Ark fundraises from a defined list of individuals, companies and charitable trusts and foundations. This list is carefully considered, and approaches are only made to those we already have a connection to, or we think there would be an interest in Ark's work. Ark's network of schools conducts their own fundraising and may use fundraising platforms to promote specific school campaigns. Platforms currently used include Just Giving and Virgin Money.

Ark's fundraising is led by a small team of professional fundraisers and support staff employed by Ark – we do not out-source fundraising activities. Our activity is based on individual relationships with donors. Donor data is handled with care – all information is held on a secure database and files managed by Ark.

Ark is a paid member of the Fundraising Regulator, and we comply with advice and guidance set by the body. We have not received any fundraising complaints.

### Statement of trustees' responsibilities

The trustees (who are also directors of Ark UK Programmes for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 income and expenditure of the charitable company 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 in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper 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. 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.

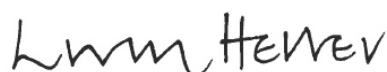
Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the company and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf by Lucy Heller



Trustee

Date: 24/05/2022

### **Opinion**

We have audited the financial statements of Ark UK Programmes (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies, and the notes to the financial statements. 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 August 2021 and of its 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.

### **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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 trustees' report, which is also the directors' report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company 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 trustees 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 trustees 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**

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, data protection legislation, anti-bribery, employment, and health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

**Auditor's responsibilities for the audit of the financial statements**  
(continued)

- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ used data analytics to investigate the rationale behind any significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

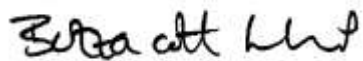
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report to the member of Ark UK Programmes** Year ended 31 August 2021

**Use of our report**

This report is made solely to the charitable company's member, 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 charitable company's member 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 and the charitable company's member as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel, Senior Statutory Auditor  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

26 May 2022

## Ark UK Programmes

### Statement of financial activities- Year ended 31 August 2021

	Notes	Unrestricted £000	Restricted £000	Endowments £000	Year ended 31 August 2021 Total £000	Year ended 31 August 2020 Total £000
<b>Income from:</b>						
Donations and legacies:						
Grants and donations	2a	-	2,008	-	<b>2,008</b>	2,111
Donated services	2b	-	35	-	<b>35</b>	13
Charitable activities						
Programme fees	2c	-	2,676	-	<b>2,676</b>	2,677
Other income from activities	2c	12	455	-	<b>467</b>	229
Investments	3	-	92	-	<b>92</b>	64
Continuing operations		12	5,266	-	<b>5,278</b>	5,094
Discontinued operations	20	-	-	-	-	1,803
<b>Total income</b>	<b>6</b>	<b>12</b>	<b>5,266</b>	<b>-</b>	<b>5,278</b>	<b>6,897</b>
<b>Expenditure on:</b>						
Raising funds						
Investment management fees		-	-	57	<b>57</b>	55
Interest on finance lease		-	-	1	<b>1</b>	1
Charitable activities						
Support to programmes	4,5	-	5,060	-	<b>5,060</b>	3,759
Grants from endowments	4	-	-	-	-	931
Donated services	2b,4	-	35	-	<b>35</b>	13
Transfers to Now Teach	20	-	706	-	<b>706</b>	-
Continuing operations		-	5,801	58	<b>5,859</b>	4,759
Discontinued operations	20	-	-	-	-	1,437
<b>Total expenditure</b>	<b>6</b>	<b>-</b>	<b>5,801</b>	<b>58</b>	<b>5,859</b>	<b>6,196</b>
Net income (expenditure) before gains on investments		12	(535)	(58)	<b>(581)</b>	701
Gains on investments	10	-	-	785	<b>785</b>	83
Net income (expenditure) and net movement in funds		<b>12</b>	<b>(535)</b>	<b>727</b>	<b>204</b>	<b>784</b>
<b>Reconciliation of funds</b>						
<b>Funds brought forward at 1 September 2020</b>		<b>41</b>	<b>3,578</b>	<b>5,614</b>	<b>9,233</b>	<b>8,449</b>
<b>Funds carried forward at 31 August 2021</b>	<b>6</b>	<b>53</b>	<b>3,043</b>	<b>6,341</b>	<b>9,437</b>	<b>9,233</b>

There were no recognised gains and losses in the period other than those stated above.

## Ark UK Programmes

### Statement of financial activities- Year ended 31 August 2021

	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Year ended</b>	Continuing operations	Discontinued operations	Year ended
	<b>2021</b>	<b>2021</b>	<b>2021</b>	2020	2020	2020
	<b>£000</b>	<b>£000</b>	<b>£000</b>	£000	£000	£000
Total income	5,278	-	<b>5,278</b>	5,094	1,803	6,897
Total expenditure	(5,801)	-	<b>(5,801)</b>	(3,772)	(1,437)	(5,209)
<b>Net (expenditure) income for the year</b>	<b>(523)</b>	-	<b>(523)</b>	1,322	366	1,688

The income and expenditure accounts above excludes the movement on the endowments fund. It is stated before gains on investments and transfers.

The summary income and expenditure account is derived from the statement of financial activities on page 16 which, together with the notes to the financial statements on pages 21 to 39, provides full information on the movements during the year on all the funds of the charity.

Total income of £5,278k (2019/20 - £6,897k) comprises £12k (2019/20 - £0k) in relation to unrestricted funds and £5,266k (2019/20 - £6,897k) in relation to restricted funds. A detailed analysis of income and expenditure by source is provided in the statement of financial activities and the notes to the financial statements.

Net expenditure for the year of £523k (2019/20 – net income of £1,688k) comprises net income of £12k (2019/20 - £5k net expenditure) in relation to unrestricted funds and net expenditure of £535k (2019/20 – net income of £1,693k) in relation to restricted funds, as shown in the statement of financial activities.

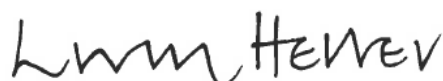
Note that the above includes the one-off transfer of £706k to Now Teach which is included within restricted expenditure (note 20).

## Ark UK Programmes

### Balance sheet 31 August 2021

	Notes	2021 £000	2020 £000
<b>Fixed assets</b>			
Investment property	9	746	766
Investment assets	10	6,282	6,577
		<u>7,028</u>	<u>7,343</u>
<b>Current assets</b>			
Debtors	11	1,693	3,420
Short term deposits		572	572
Cash at bank and in hand		1,911	1,582
		<u>4,176</u>	<u>5,574</u>
<b>Creditors: amounts due within one year</b>	12	<b>(1,641)</b>	<b>(3,522)</b>
<b>Net current assets</b>		<u><b>2,535</b></u>	<u>2,052</u>
<b>Total assets less current liabilities</b>		<b>9,563</b>	9,395
<b>Creditors: amounts due after more than one year</b>	13	<b>(126)</b>	(162)
<b>Net assets</b>		<u><b>9,437</b></u>	<u>9,233</u>
<b>The funds of the charity</b>			
Unrestricted general funds		53	41
Restricted funds		3,043	3,578
Endowment funds		6,341	5,614
<b>Total funds</b>	6	<u><b>9,437</b></u>	<u>9,233</u>

Approved by the board of trustees and signed on its behalf by Lucy Heller



Trustee

Date: 24/05/2022

Company registration no: 05932797

## Ark UK Programmes

### Statement of cash flows Year to 31 August 2021

	Notes	2021 £000	2020 £000
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	A	(845)	(626)
<b>Cash provided by (used in) operating activities</b>		<b>(845)</b>	<b>(626)</b>
<b>Cash flows from investing activities:</b>			
Investment income		92	64
Proceeds from the disposal of investments		3,836	6,721
Purchase of investments		(2,893)	(5,716)
<b>Net cash provided by investing activities</b>		<b>1,035</b>	<b>1,069</b>
<b>Cash flows from financing activities:</b>			
Endowment withdrawal		-	(931)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(931)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>190</b>	<b>(488)</b>
<b>Cash and cash equivalents at 1 September</b>	B	<b>1,693</b>	<b>2,149</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>60</b>	<b>32</b>
<b>Cash and cash equivalents at 31 August</b>	B	<b>1,943</b>	<b>1,693</b>

#### Notes to the statement of cash flows for the year to 31 August 2021.

#### A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2021 £000	2020 £000
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>204</b>	<b>784</b>
<b>Adjustments for:</b>		
(Gains) on investments	(785)	(83)
Investment income	(92)	(64)
Expenditure from endowments	-	931
Increase (decrease) in debtors (excluding endowment debtors)	1,727	(2,457)
(Decrease) increase in creditors (excluding endowment creditors)	(1,899)	263
<b>Net cash provided by (used in) operating activities</b>	<b>(845)</b>	<b>(626)</b>

## Ark UK Programmes

### Statement of cash flows Year to 31 August 2021

#### B Analysis of cash and cash equivalents

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Cash at bank and in hand	<b>1,911</b>	1,582
Cash held by investment managers	<b>32</b>	111
<b>Total cash and cash equivalents</b>	<b>1,943</b>	1,693

Cash held by investment managers relates to the endowments invested with JP Morgan. It is not available for use by Ark UK Programmes to further charitable activities.

#### C Analysis of changes in net debt

	At 1		Other	At 31
	September	Cash	non-cash	August
	2020	flows	changes	2021
	£'000	£'000	£'000	£'000
Cash at bank and in hand	1,581	330	-	<b>1,911</b>
Cash held by investment managers	111	(79)	-	<b>32</b>
Short term deposits	572	-	-	<b>572</b>
	2,264	251	-	<b>2,515</b>
Finance lease obligations	(162)	36	-	<b>(126)</b>
<b>Total</b>	<b>2,102</b>	<b>287</b>	<b>-</b>	<b>2,389</b>

**1 Accounting policies**

***Basis of preparation***

These financial statements have been prepared for the year to 31 August 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Charities Act 2011 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

***Critical accounting estimates and areas of judgement***

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- Estimating the impact of Covid-19 on the charity's income and expenditure flows for the purpose of preparing cash flow forecast and budgets to assist in the assessment of going concern;
- Allocating support costs across charitable activities;
- Timing of income recognition for programme fees;
- Classification of leases as finance or operating;
- Determining the discount rate for future cash flows;
- Measurement of fair values of the investment property.

***Assessment of going concern***

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

In making their assessment, the trustees of the charity continue to consider the impact of the global coronavirus pandemic and have acknowledged that some areas of work will continue be challenged by the impact of Covid-19, but they are cautiously optimistic that activities such as training events can resume.

A number of areas of judgement that affect items in the accounts have been identified above. In addition, the most significant areas that affect the carrying value of the assets held by the charity in the next accounting period (the year ending 31 August 2022) are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information). The trustees remain of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

**1 Accounting policies** (continued)

***Assessment of going concern*** (continued)

In the unlikely event that the charity was unable to meet its liabilities, the parent charity, Ark, would provide the necessary financial support in the form of a grant or loan.

The trustees have therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

***Fund accounting***

Restricted funds are those which are to be used for a specified purpose as stipulated by the donor and agreed by the charity.

Unrestricted funds are those which the donor gives to the charity without stipulating a specific purpose. They are to be used for the furtherance of the objects of the charity in general and may be applied to specific projects at the discretion of the trustees to further the charity's purposes.

The endowment fund represents monies invested on behalf of individual Ark academies. Any returns generated on these funds can be used without restriction, but only by the academy in question, and are therefore recognised as restricted income. The initial capital can only be used with agreement of the Secretary of State for Education, unless it is spent on 'equipment, facilities, accommodation, landscaping and signage' at the relevant academy. The Ark All Saints Academy endowment is a permanent endowment for which Ark UK Programmes has been appointed as the trustee.

All income and expenditure is shown in the Statement of Financial Activities.

***Income***

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received. Where a service is provided over a period that spans more than one accounting period, a judgement is made as to the amount of income that should be accrued or deferred.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

**1 Accounting policies (continued)**

***Expenditure***

Liabilities, including those relating to staff costs and redundancies, are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category.

Ark UK Programmes is registered for VAT and reclaims VAT in its business-related expenditure. Irrecoverable VAT is included in expenditure when incurred.

Costs of raising funds are those incurred in seeking donations for the charity and in publicising the work of the charity.

Expenditure on charitable activities comprise expenditure related to the direct furtherance of the charity's objectives. In the accounts of the charity the award of a grant is recorded as charitable expenditure and the unspent amount is held in the balance sheet as a grant creditor.

***Allocation of overhead and support costs***

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, payroll, and Governance costs which support the charity's programmes and activities. Governance costs are those incurred in connection with the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements.

Where costs cannot be directly attributed, they have been allocated to activities. The basis for the allocation of support costs to charitable activities is set out in note 5 to the financial statements.

***Volunteers and donated services***

With the exception of trustees, patrons and a small number of advisors who all provide their services on a voluntary basis, the charity does not rely upon volunteers or donated services in delivering services. The financial value of services donated by advisors is included as expenditure at an estimated fair value and a corresponding value of income is included as an in-kind donation.

***Discontinued activities***

Where a decision has been made to discontinue or terminate an activity in accordance with the definitions contained within FRS 102, income, costs, and obligations associated with the discontinuing operation are recognised within the year. The income, costs and obligations are disclosed separately on the face of the statement of financial activities.

***Investments***

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

**1 Accounting policies** (continued)

***Investments*** (continued)

A fair value hierarchy that prioritises the inputs to valuation techniques is used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The levels of fair value hierarchy are described below:

- Level 1 (listed investments) – Unadjusted quoted process in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 (unlisted investments) – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable either directly or indirectly; and
- Level 3 (unlisted investments) – Prices or valuation that requires inputs that are both significant to the fair value measurement and unobservable.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices for an identical instrument, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub-sectors.

***Investment Property***

Investment property is held by Ark UK Programmes to earn rentals and for capital appreciation, rather than for use in the ordinary course of business. Investment properties are measured at cost and subsequently at fair value at the reporting date. Professional advice is sought as appropriate to determine the valuation of investment property. Changes in fair values are recognised in the statement of financial activities.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised. The cost of maintenance, repairs and minor improvements is recognised in the statement of financial activities when occurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the statement of financial activities.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the rate of exchange ruling at the balance sheet date.

**1 Accounting policies (continued)**

***Operating lease***

Operating lease rentals are charged on a straight-line basis over the term of the lease. These are included in Charitable Activities expenditure in the Statement of Financial Activities.

***Finance lease***

A finance lease is recognised when it is determined that the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee.

At the commencement of the lease term, Ark UK Programmes recognises its rights of use and obligations under the finance lease as an asset and a liability in the statement of financial position at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. Where the implicit rate cannot be determined the charity's incremental borrowing rate is used.

Any initial direct costs are added to the amount recognised as an asset. Subsequently, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method, including updating the effective interest rate to reflect the charity's incremental cost of capital. This rate was 0.74% (2019/20 - 0.99%).

***Debtors***

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

***Cash at bank and in hand***

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

***Creditors and provisions***

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment when such discounting is material.

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2021

#### 2 a. Grants and Donations

During the year the organisation received the following grants and donations:

<b>2021</b>	Unrestricted £000	Restricted £000	Endowments £000	<b>Total 2021 £000</b>
Ark Curriculum+	-	406	-	<b>406</b>
Ark Curriculum+ (DCMS)	-	350	-	<b>350</b>
Ark Start	-	383	-	<b>383</b>
MESME	-	869	-	<b>869</b>
<b>Continuing operations</b>	-	<b>2,008</b>	-	<b>2,008</b>
Now Teach	-	-	-	-
<b>Discontinued operations</b>	-	-	-	-
<b>2021 total</b>	-	<b>2,008</b>	-	<b>2,008</b>

<i>2020</i>	<i>Unrestricted £000</i>	<i>Restricted £000</i>	<i>Endowments £000</i>	<i>Total 2020 £000</i>
<i>Ark Curriculum+</i>	-	<i>1,179</i>	-	<i>1,179</i>
<i>Ark Start</i>	-	<i>932</i>	-	<i>932</i>
<b><i>Continuing operations</i></b>	-	<b><i>2,111</i></b>	-	<b><i>2,111</i></b>
<i>Now Teach</i>	-	<i>428</i>	-	<i>428</i>
<b><i>Discontinued operations</i></b>	-	<b><i>428</i></b>	-	<b><i>428</i></b>
<b><i>2020 total</i></b>	-	<b><i>2,539</i></b>	-	<b><i>2,539</i></b>

#### 2 b. Donated Services

During the year the organisation received the following donated services:

<b>2021</b>	Unrestricted £000	Restricted £000	Endowments £000	<b>Total 2021 £000</b>
Ark Curriculum+	-	35	-	<b>35</b>
<b>Continuing operations</b>	-	<b>35</b>	-	<b>35</b>
Now Teach	-	-	-	-
<b>Discontinued operations</b>	-	-	-	-
<b>2021 total</b>	-	<b>35</b>	-	<b>35</b>

<i>2020</i>	<i>Unrestricted £000</i>	<i>Restricted £000</i>	<i>Endowments £000</i>	<i>Total 2020 £000</i>
<i>Ark Curriculum+</i>	-	<i>13</i>	-	<i>13</i>
<b><i>Continuing operations</i></b>	-	<b><i>13</i></b>	-	<b><i>13</i></b>
<i>Now Teach</i>	-	<i>288</i>	-	<i>288</i>
<b><i>Discontinued operations</i></b>	-	<b><i>288</i></b>	-	<b><i>288</i></b>
<b><i>2020 total</i></b>	-	<b><i>301</i></b>	-	<b><i>301</i></b>

Donated services, for example event space, are valued at the open market cost as determined by the supplier.

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2021

#### 2 c. Income from charitable activities

<b>2021</b>	Unrestricted £000	Restricted £000	Endowments £000	<b>Total 2021 £000</b>
<b>Programme fees</b>				
Ark Curriculum+	-	2,645	-	<b>2,645</b>
Ark Start	-	31	-	<b>31</b>
	-	<b>2,676</b>	-	<b>2,676</b>
<b>Other income from charitable activities</b>				
Ark Curriculum+	-	432	-	<b>432</b>
Ark Start	-	23	-	<b>23</b>
Other	12	-	-	<b>12</b>
<b>Continuing operations</b>	<b>12</b>	<b>455</b>	-	<b>467</b>
Now Teach	-	-	-	-
<b>Discontinued operations</b>	-	-	-	-
<b>2021 total</b>	<b>12</b>	<b>3,131</b>	-	<b>3,143</b>

<i>2020</i>	<i>Unrestricted £000</i>	<i>Restricted £000</i>	<i>Endowments £000</i>	<i>Total 2020 £000</i>
<b>Programme fees</b>				
Ark Curriculum+	-	2,677	-	<b>2,677</b>
	-	2,677	-	<b>2,677</b>
<b>Other income from charitable activities</b>				
Ark Curriculum+	-	229	-	<b>229</b>
<b>Continuing operations</b>	-	<b>2,906</b>	-	<b>2,906</b>
Now Teach	-	1,087	-	<b>1,087</b>
<b>Discontinued operations</b>	-	1,087	-	<b>1,087</b>
<b>2020 total</b>	-	<b>3,993</b>	-	<b>3,993</b>

#### 3 Investment income

<b>2021</b>	Unrestricted £000	Restricted £000	<b>Total 2021 £000</b>
Income and interest from listed investments	-	72	<b>72</b>
Income from investment property	-	20	<b>20</b>
<b>2021 total</b>	-	<b>92</b>	<b>92</b>
<i>2020</i>	<i>Unrestricted £000</i>	<i>Restricted £000</i>	<i>Total 2020 £000</i>
Income and interest from listed investments	-	47	47
Income from investment property	-	17	17
<b>2020 total</b>	-	<b>64</b>	<b>64</b>

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2021

#### 3 Investment income (continued)

In 2009/10, Ark UK Programmes was given responsibility for the administration of the endowments held on behalf of individual Ark sponsored academies. These funds are invested with JP Morgan and the relationship is set out in a Deed of Gift between Ark UK Programmes, Ark, and the Secretary of State for Education. King Solomon Academy contributed an additional £750k into its endowment, which is outside of the Deed of Gift. In January 2015, Ark UK Programmes was appointed as the trustee of an endowment held under a Trust Deed for Ark All Saints Academy (formerly St Michael and All Angels Church of England Academy). The value of the endowment transferred into Ark UK Programmes was £607k.

#### 4 Analysis of charitable expenditure

<b>2021</b>	Activities undertaken directly £000	Donated services (see note 2b) £000	Grant funding of activities £000	Support costs (see note 5) £000	<b>Total 2021 £000</b>
<b>Charitable expenditure</b>					
Ark Curriculum+	3,351	35	-	130	<b>3,516</b>
Ark Curriculum+ (DCMS)	350	-	-	-	<b>350</b>
Ark Start	572	-	277	12	<b>861</b>
MESME	71	-	275	8	<b>354</b>
Endowment programme	8	-	-	6	<b>14</b>
<b>Continuing operations</b>	<b>4,352</b>	<b>35</b>	<b>552</b>	<b>156</b>	<b>5,095</b>
Now Teach	-	-	-	-	-
<b>Discontinued operations</b>	-	-	-	-	-
<b>2021 total</b>	<b>4,352</b>	<b>35</b>	<b>552</b>	<b>156</b>	<b>5,095</b>

<b>2020</b>	Activities undertaken directly £000	Donated services (see note 2b) £000	Grant funding of activities £000	Support costs (see note 5) £000	<b>Total 2020 £000</b>
<b>Charitable expenditure</b>					
Ark Curriculum+	3,605	13	-	141	3,759
Endowment programme	1	-	931	5	937
Unrestricted fund expenditure	1	-	-	2	3
<b>Continuing operations</b>	<b>3,607</b>	<b>13</b>	<b>931</b>	<b>148</b>	<b>4,699</b>
Now Teach	1,083	288	-	66	1,437
<b>Discontinued operations</b>	<b>1,083</b>	<b>288</b>	-	66	<b>1,437</b>
<b>2020 total</b>	<b>4,690</b>	<b>301</b>	<b>931</b>	<b>214</b>	<b>6,136</b>

Expenditure on support costs was funded by both unrestricted reserves and restricted programme funds. Following the trustees' approval, £931k of endowments were transferred to Ark Schools for capital investment projects.

## 5 Allocation of support costs

<b>2021</b>	Finance £000	HR £000	Governance £000	Other overheads and support staff £000	<b>Total 2021 £000</b>
<b>Charitable expenditure</b>					
Ark Curriculum+	67	15	8	40	<b>130</b>
Ark Start	-	10	-	2	<b>12</b>
MESME	6	1	1	-	<b>8</b>
Endowment programme	5	-	1	-	<b>6</b>
<b>Continuing operations</b>	<b>78</b>	<b>26</b>	<b>10</b>	<b>42</b>	<b>156</b>
Now Teach	-	-	-	-	-
<b>Discontinued operations</b>	-	-	-	-	-
<b>2021 total</b>	<b>78</b>	<b>26</b>	<b>10</b>	<b>42</b>	<b>156</b>

Finance and HR costs are allocated on the basis of time spent on each programme. Other overheads consist of the desk charge, which is allocated on the basis of the number of desks reserved for each programme, IT costs and any remaining core costs.

The allocation of support costs to activities in note 4 provides a more accurate picture of the full costs of these activities. It does not represent use of programme funds.

<b>2020</b>	Finance £000	HR £000	Governance £000	Other overheads and support staff £000	<b>Total 2020 £000</b>
<b>Charitable expenditure</b>					
Ark Curriculum+	72	15	7	47	141
Endowment programme	5	-	-	-	5
Unrestricted	-	-	-	2	2
<b>Continuing operations</b>	<b>77</b>	<b>15</b>	<b>7</b>	<b>49</b>	<b>148</b>
Now Teach	29	7	3	27	66
<b>Discontinued operations</b>	<b>29</b>	<b>7</b>	<b>3</b>	<b>27</b>	<b>66</b>
<b>2020 total</b>	<b>106</b>	<b>22</b>	<b>10</b>	<b>76</b>	<b>214</b>

**6 Analysis of net movement in funds**

	At 1 September 2020 £000	Income £000	Expenditure £000	Gains/ (losses) and transfers £000	At 31 August 2021 £000
<b>2021</b>					
<b>Restricted funds</b>					
Ark Curriculum+	1,565	3,518	(3,516)	-	<b>1,567</b>
Ark Curriculum+ (DCMS)	-	350	(350)	-	-
Ark Start	932	437	(860)	-	<b>509</b>
MESME	-	869	(356)	-	<b>513</b>
Ark Schools endowment interest	375	92	(13)	-	<b>454</b>
Now Teach	706	-	(706)	-	-
<b>2021 total</b>	<b>3,578</b>	<b>5,266</b>	<b>(5,801)</b>	-	<b>3,043</b>
<b>Endowment funds</b>	5,614	-	(58)	785	<b>6,341</b>
<b>Unrestricted funds</b>					
General	41	12	-	-	<b>53</b>
<b>Total funds</b>	<b>9,233</b>	<b>5,278</b>	<b>(5,859)</b>	<b>785</b>	<b>9,437</b>

The restricted funds of Ark Curriculum+ have arisen from grants given specifically for use by Ark Curriculum+ plus fees from schools signed up to the programmes and via the DCMS.

The Ark Start restricted funds have arisen from the receipt of grant income for use specifically on the respective programmes.

MESME restricted funds have arisen from the receipt of grant income to support students to achieve mathematical excellence under the Maths Circles programme following on from the success of the model established in Russia and the US.

The Ark Schools Endowment interest in restricted funds has arisen from dividends and interest paid out on the endowment investments held by Ark UK Programmes on behalf of individual Ark academies. The income is restricted to use by the Ark academy from whose endowment the income arose. The endowment fund represents monies invested on behalf of individual Ark academies. Any returns generated on these funds can be used without restriction, but only by the academy in question, and are therefore recognised as restricted income. The initial capital can only be used with agreement of the Secretary of State for Education, unless it is to be spent on 'equipment, facilities, accommodation, landscaping or signage' at the relevant academy. The exception to this is the Ark All Saints Endowment for which Ark UK Programmes was appointed the trustee in January 2015. The principal sum of this endowment can only be spent with the permission of the Secretary of State.

The Now Teach restricted funds have arisen from programme fees for recruitment of teachers plus grant income restricted for use by Now Teach. Now Teach became an independent charity on 1 September 2020. The entire funds balance held by Ark UK Programmes for Now Teach on 31 August 2020 transferred to the independent Now Teach charity (company no. 11872096, registered charity no. 1189146) on 1 September 2020.

**6 Analysis of net movement in funds** (continued)

At 31 August 2021 the balance of expendable endowments was £5,461k (2019/20 - £4,846k) and the balance of permanent endowments was £880k (2019/20 - £768k).

In the year, £58k expenditure was made from endowments: No transfers to Ark Schools for capital expenditure projects (2019/20 - £931k); £57k for investment manager fees (2019/20 - £55k) and £1k interest on the finance lease (2019/20 - £1k, note 14).

	<i>At 1</i> <i>September</i> <i>2019</i> <i>£000</i>	<i>Income</i> <i>£000</i>	<i>Expenditure</i> <i>£000</i>	<i>Gains/</i> <i>(losses) and</i> <i>transfers</i> <i>£000</i>	<i>At 31</i> <i>August</i> <i>2020</i> <i>£000</i>
<b>2020</b>					
<b>Restricted funds</b>					
<i>Mathematics Mastery</i>	987	-	-	(987)	-
<i>English Mastery</i>	134	-	-	(134)	-
<i>Ark Curriculum+</i>	100	4,098	(3,754)	1,121	1,565
<i>Ark Start</i>	-	932	-	-	932
<i>Ark Schools endowment interest</i>	324	64	(13)	-	375
<b>Continuing operations</b>	<u>1,545</u>	<u>5,094</u>	<u>(3,767)</u>	<u>-</u>	<u>2,872</u>
<i>Now Teach</i>	340	1,803	(1,437)	-	706
<i>Discontinued operations</i>	340	1,803	(1,437)	-	706
<b>2020 total</b>	1,885	6,897	(5,204)	-	3,578
<b>Endowment funds</b>	6,518	-	(987)	83	5,614
<b>Unrestricted funds</b>					
<i>General</i>	46	-	(5)	-	41
<b>Total funds</b>	<u>8,449</u>	<u>6,897</u>	<u>(6,196)</u>	<u>83</u>	<u>9,233</u>

On 1 September 2019 Mathematics Mastery and English Mastery joined to form Ark Curriculum+.

**7 Net movement in funds**

Net movement in funds is stated after charging:

	<b>2021</b> <b>£000</b>	2020 £000
Statutory audit fees	8	8
Other audit and tax fees	-	2
Operating lease rentals	-	72

The future minimum operating lease payments are as follows:

	<b>2021</b> <b>£000</b>	2020 £000
Not later than one year	-	-
Total gross payments	-	-

**8 Staff costs and numbers**

	<b>2021</b>	2020
	<b>£000</b>	£000
Salaries and wages	<b>2,398</b>	2,767
Social security costs	<b>258</b>	282
Pension costs	<b>268</b>	306
	<b>2,924</b>	3,355

Included in salaries and wages were redundancy and ex-gratia severance payments totalling £35,873 (2019/20 – £12,486).

The average number of staff employed during the period was:

	<b>Headcount</b>	
	<b>2021</b>	2020
Charitable activities	<b>48</b>	60
Support to activities	<b>4</b>	3
	<b>52</b>	63

The number of employees during the period who earned over £60,000 in the year (including benefits) was as follows:

	<b>2021</b>	2020
	<b>£000</b>	£000
£60,001 - £70,000	<b>6</b>	3
£70,001 - £80,000	<b>2</b>	3
£80,001 - £90,000	-	1
£90,001 - £100,000	<b>1</b>	-
£100,001 - £110,000	-	1
£110,001 - £120,000	<b>1</b>	-
	<b>10</b>	8

The pension contributions made on behalf of the above employees was £49,839 (2019/20 - £67,016)

Key management personnel of Ark UK Programmes comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including pension and social security contributions) received by key management personnel was £108,195 (2020 - £107,273). Payment to all key management personnel was made by the parent charity, Ark.

**9 Investment property**

	Land and buildings £000	<b>Total £000</b>
<b>Cost or valuation:</b>		
At 1 September 2020	766	<b>766</b>
Decrease in fair value	(20)	<b>(20)</b>
At 31 August 2021	<u>746</u>	<u><b>746</b></u>
Carrying amount at 31 August 2021	<u>746</u>	<u><b>746</b></u>

The long leasehold investment property is held at fair value. Completion of the property was on 20 May 2016. The trustees have performed the valuation of the property at 31 August 2021 based on publicly available information.

Included in the amount for investment property is £125,653 (2019/20 - £162,208) relating to assets held under a finance lease (note 14).

**10 Investment assets**

	<b>2021 £000</b>	2020 £000
<b>Listed investments</b>		
Market value at 1 September	<b>6,466</b>	7,398
Additions to investments at cost	<b>2,893</b>	5,716
Disposals at market value - proceeds: £3,836k (2019/20: £6,721k); loss £49k (2019/20: loss £123k)	<b>(3,787)</b>	(6,598)
Net unrealised investment gain/(loss)	<b>678</b>	(50)
Market value at 31 August	<b>6,250</b>	6,466
<b>Cash held by investment managers for reinvestment</b>	<b>32</b>	111
	<u><b>6,282</b></u>	<u>6,577</u>
Cost of listed investments at 31 August	<u><b>5,420</b></u>	<u>6,102</u>

All listed investments were traded on a recognised stock exchange. Listed investments held at 31 August comprised the following:

	<b>2021 £000</b>	2020 £000
Overseas equities	<b>3,857</b>	3,475
Fixed interest	<b>1,755</b>	2,420
Foreign exchange contracts	-	38
Alternative assets	<b>638</b>	533
	<u><b>6,250</b></u>	<u>6,466</u>

**10 Investment assets** (continued)

All investments are held in a portfolio of diversified funds. Accordingly, no individual holding is considered to be material when compared to the total value of the listed investment portfolio at 31 August 2021.

Foreign exchange forward contracts are used to ameliorate the risk associated with holding investments in foreign currencies. These are held by the investment managers and form part of their strategy for managing risk.

	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Unrealised gains included above:</b>		
On investments	<b>830</b>	364
<b>Total unrealised gains at 31 August</b>	<b>830</b>	364
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 September	<b>364</b>	1,709
Less: in respect to disposals in the year	<b>(212)</b>	(1,295)
Add: net unrealised gains/(losses)	<b>678</b>	(50)
<b>Total unrealised gains at 31 August</b>	<b>830</b>	364

**11 Debtors**

	<b>2021</b>	2020
	<b>£000</b>	£000
Trade debtors	<b>419</b>	1,448
Prepayments and other debtors	<b>155</b>	57
Accrued income	<b>61</b>	207
Amounts due from Absolute Return for Kids (Ark) (note 17)	<b>1,058</b>	1,598
Amounts due from Ark Schools (note 17)	<b>-</b>	110
	<b>1,693</b>	3,420

**12 Creditors: Amounts falling due within one year**

	<b>2021</b>	2020
	<b>£000</b>	£000
Accruals	<b>313</b>	192
Trade creditors	<b>148</b>	234
Deferred income	<b>621</b>	1,078
Amounts due to Absolute Return for Kids (Ark) (note 17)	<b>282</b>	290
Amounts due to Ark Schools (note 17)	<b>180</b>	1,520
Taxation and social security	<b>77</b>	190
Other creditors	<b>20</b>	18
	<b>1,641</b>	3,522

**12 Creditors: Amounts falling due within one year** (continued)

Deferred income relates to programme fees for Ark Curriculum Plus received in advance for delivery in the following financial year. The movements in deferred income are analysed below:

	At 31 August 2020 £000	Released from previous year £000	Deferred in current year £000	At 31 August 2021 £000
Programme fees	1,078	(1,078)	621	<b>621</b>
<b>Total deferred income</b>	<b>1,078</b>	<b>(1,078)</b>	<b>621</b>	<b>621</b>

**13 Creditors: Amounts falling due after more than one year**

	<b>2021</b> <b>£000</b>	2020 £000
Finance lease liability	<b>126</b>	162
	<b>126</b>	162

**14 Finance lease**

The future minimum finance lease payments are as follows:

	<b>2021</b> <b>£000</b>	2020 £000
Not later than one year*	-	-
Later than one year and not later than five years	<b>2</b>	2
Later than five years	<b>301</b>	301
Total gross payments	<b>303</b>	303
Less: finance charges	<b>(177)</b>	(141)
<b>Carrying amount of liability</b>	<b>126</b>	162

\*Lease payments of £400 are due in no later than one year.

The finance lease relates to the investment property (note 9). There are no contingent rental, renewal, or purchase option clauses.

## 15 Analysis of net assets between funds

<b>2021</b>	Unrestricted General fund £000	Restricted funds £000	Endowment funds £000	<b>Total £000</b>
<b>Fund balances at 31 August 2021 are represented by:</b>				
Investment assets	-	451	6,577	<b>7,028</b>
Current assets	134	3,986	56	<b>4,176</b>
Creditors: amounts falling due within one year	(81)	(1,394)	(166)	<b>(1,641)</b>
Creditors: amounts falling due in more than one year	-	-	(126)	<b>(126)</b>
<b>Total net assets</b>	<b>53</b>	<b>3,043</b>	<b>6,341</b>	<b>9,437</b>

<i>2020</i>	<i>Unrestricted General fund £000</i>	<i>Restricted funds £000</i>	<i>Endowment funds £000</i>	<i>Total £000</i>
<b>Fund balances at 31 August 2020 are represented by:</b>				
<i>Investment assets</i>	<i>-</i>	<i>374</i>	<i>6,969</i>	<i>7,343</i>
<i>Current assets</i>	<i>12</i>	<i>5,388</i>	<i>174</i>	<i>5,574</i>
<i>Creditors: amounts falling due within one year</i>	<i>29</i>	<i>(2,184)</i>	<i>(1,367)</i>	<i>(3,522)</i>
<i>Creditors: amounts falling due in more than one year</i>	<i>-</i>	<i>-</i>	<i>(162)</i>	<i>(162)</i>
<b>Total net assets</b>	<b>41</b>	<b>3,578</b>	<b>5,614</b>	<b>9,233</b>

## 16 Trustees' remuneration and expenses

The Chief Executive became a trustee of the charity on 1 September 2010. The Deputy Chief Executive became a trustee of the charity on 24 January 2019. For the year ended 31 August 2021 their combined remuneration by the parent charity, Ark, (including performance related bonus) in relation to their roles in Ark UK Programmes was £87,536 (2019/20 - £87,448) and employer's pension contribution were £8,525 (2019/20 - £8,525). No expenses were reimbursed through Ark UK Programmes. No other trustees of the company received any payment or other emoluments from the charity in the period.

**17 Related party transactions**

The charity is a wholly owned subsidiary of Absolute Return for Kids (Ark). Ark UK Programmes has taken advantage of the exemption available under Section 33 of FRS 102 Related Party Disclosure not to disclose group transactions between the charity and its parent.

During the year the organisation had the following transactions with Ark Schools. Ark Schools is an Ark family member, Lord Fink and Lucy Heller are also trustees of Ark Schools.

*Income from Ark Schools and individual Ark academies:*

- £272k (2019/20 - £152k) towards the costs of the Ark Curriculum Plus resources and training and shared supplier accounts.
- £nil (2019/20 - £4k) towards training sessions provided by Ark Teacher Training.
- £nil (2019/20 - £14k) towards the cost of recruitment fees for the Now Teach programme.

*Expenditure incurred with Ark schools:*

- £212k (2019/20 - £180k) towards rent and service charges for shared office space with Ark Schools.
- £32k (2019/20 - £55k) towards technology services provided by Ark Schools.

Amounts due from and to Ark and Ark Schools are included within notes 11 and 12 respectively.

£0.3m (2019/20 - £0.3m) income was received in the year from The Education Endowment Foundation. Lucy Heller is a trustee of The Education Endowment Foundation and is also a trustee of Ark UK Programmes.

**18 Ultimate parent undertaking**

During the year under review, the company's immediate and ultimate parent undertaking was Absolute Return for Kids (ARK). Ark is registered in England as a charitable company limited by guarantee (company registration number 04589451; charity registration number 1095322). For the period under review, Ark has included Ark UK Programmes within its group financial statements, copies of which are available at its registered office: The Yellow Building, 1 Nicholas Road, London, W11 4AN.

**19 Taxation**

Ark UK Programmes has charitable status (charity number 1137932). Given the nature of its activities the charity will not be subject to income tax or corporation tax on income derived from its charitable activities, as it would fall within the various exemptions available to registered charities.

**20 Discontinued operations**

On 1 September 2020, Now Teach became an independent charity and was included within Ark UK Programmes' accounts for the last time. Income and expenditure included in the accounts relating to Now Teach in 2019/20 is shown below.

The Now Teach fund balance of £706k has been shown as a transfer out in the 2020/21 accounts on the face of the statement of financial activities.

	Year ended 31 August 2020 Total £000
<hr/>	
<b>Income from:</b>	
Donations and legacies:	
Grants and donations	428
Donated services	288
Charitable activities	
Programme fees	1,087
<b>Total income</b>	<hr/> 1,803 <hr/>
<b>Expenditure on:</b>	
Charitable activities	
Support to programmes	1,437
<b>Total expenditure</b>	<hr/> 1,437 <hr/>
<b>Net income</b>	<hr/> 366 <hr/>

**21 Comparative statement of financial activities for continuing operations**

	Unrestricted £000	Restricted £000	Endowments £000	Year ended 31 August 2020 Total £000
Income from:				
Donations and legacies:				
Grants and donations	-	2,111	-	2,111
Donated services	-	13	-	13
Charitable activities				
Programme fees	-	2,677	-	2,677
Other income from activities	-	229	-	229
Investments	-	64	-	64
Other income	-	-	-	-
Continuing operations	-	5,094	-	5,094
Discontinued operations	-	1,803	-	1,803
Total income	-	6,897	-	6,897
Expenditure on:				
Raising funds				
Investment management fees	-	-	55	55
Interest on finance lease	-	-	1	1
Charitable activities				
Support to programmes	5	3,754	-	3,759
Grants from endowments	-	-	931	931
Donated services	-	13	-	13
Continuing operations	5	3,767	987	4,759
Discontinued operations	-	1,437	-	1,437
Total expenditure	5	5,204	987	6,196
Net (expenditure) income before gains on investments	(5)	1,693	(987)	701
Gains on investments	-	-	83	83
Net expenditure (income) and net movement in funds	(5)	1,693	(904)	784
Reconciliation of funds				
Funds brought forward at 1 September 2019	46	1,885	6,518	8,449
Funds carried forward at 31 August 2020	41	3,578	5,614	9,233

There were no recognised gains and losses in the period other than those stated above.

**ARK UK PROGRAMMES**

England & Wales - Charity number 1137932

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# Accounts

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**Ark UK Programmes**

**Annual Report and Financial  
Statements**

31 August 2020

Company limited by guarantee  
registration number 05932797  
(England and Wales)

Charity registration number 1137932

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## Ark UK Programmes

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### Reference and administrative details

<b>Trustees</b>	Lord Fink Lucy Heller Michael Clark
<b>Company Secretary</b>	Elizabeth Dawson
<b>Chief Executive</b>	Lucy Heller
<b>Registered office (as of 4 December 2020)</b>	The Yellow Building 1, Nicholas Road London W11 4AN
<b>Company registration number</b>	05932797
<b>Charity registration number</b>	1137932
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank plc 95 George Street Croydon CR9 2NS
<b>Solicitor</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
<b>Investment manager</b>	JP Morgan International Bank 25 Bank Street Canary Wharf London E14 5JP

## **Ark UK Programmes**

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### **Trustees' report** Year ended 31 August 2020

The trustees, who are also directors of Ark UK Programmes for the purposes of the Companies Act, are pleased to present their report together with the audited financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 18 to 22 of the attached financial statements and comply with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

#### **Objectives and principal activities**

Ark UK Programmes has the principal objective of advancing the education of the public. It acts as a 'seed-bed' for creating and testing new Ark ventures that support Ark's work in education in the UK. In 2019/20 three (2018/19 - four) Ark ventures were incubated: Ark Curriculum+ (following the merger of Mathematics Mastery and English Mastery), Now Teach and Ark Start. The contribution made by these ventures to achieve the objectives of Ark UK Programmes is described from page 3.

#### **Organisation**

Ark UK Programmes is a company limited by guarantee (Company No. 05932797) and a registered charity in England and Wales (Charity No. 1137932). The charity is governed by its Memorandum and Articles of Association. It is a fully owned subsidiary of Absolute Return for Kids (ARK) (referred to throughout as 'Ark', charity registration number 1095322, company registration number 04589451), a charity established to improve the life chances of children, which runs projects around the world. One of the directors of Ark UK Programmes is also a director of Ark. The Chief Executive of Ark UK Programmes is also the Chief Executive of Ark.

In furtherance of its objects, Ark UK Programmes works closely with Ark Schools, a network of 38 schools. Lord Fink and Lucy Heller are also directors of Ark Schools.

The board of trustees, which can have up to ten members, administers the company. The activities of the charity, as determined by the board of trustees, are carried out under the direction of the Chief Executive.

#### **Trustees**

The trustees are also directors of Ark UK Programmes for the purposes of company law.

The following individuals served as directors during the financial year and up to the date these financial statements were approved:

Lord Fink  
Lucy Heller  
Michael Clark

All directors served for the full year. Lord Fink did not have any beneficial interest in the organisation, nor did he receive any remuneration during the period. Lucy Heller and Michael Clark received remuneration from Ark for their respective roles as Chief Executive and Deputy Chief Executive (see note 8).

**Trustees (continued)**

New trustees may be appointed either by the board or by means of an ordinary resolution of the charity. On agreeing to become a trustee of the charitable company, the trustees are briefed by their co-directors on the history of the charitable company, day-to-day management, the responsibilities of trustees, current objectives and future plans. The trustees are also encouraged to attend any courses relevant to their role, and to keep up to date with changes in legislation.

**Key management personnel**

The trustees consider the board of trustees, and the senior management team to comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The Chief and Deputy Chief Executive Officers make up the senior management team.

Ark UK Programmes' key management salaries are set on appointment and reviewed annually in accordance with pay review procedures operated by the parent organisation, Ark. The Deputy Chief Executive of Ark approves all salaries on appointment and any base salary in excess of £75,000 per annum is also approved by the Chief Executive of Ark. Annual reviews are subject to the same approval.

**Risk management**

Ark UK Programmes' management and trustees have reviewed and assessed the major risks to which the charity is exposed, and systems have been established to identify and manage those risks. Business plans for new ventures address the risks and mitigations and steering groups or shadow boards have been set up for the individual ventures. In addition, the Ark Finance and Risk Committee (FRC) formally reviews the Risk Register.

The key risks identified to date and mitigations are as follows:

- Covid-19 and its impact on the charity's investments and projected income. Finances continue to be regularly reviewed by the key management and regular reforecasts are undertaken. Ventures have moved to virtual delivery models to reduce the impact of Covid-19 on activity as much as possible, but the disruption to the Education sector has made it difficult to actively engage with schools and sell the charity's new and existing products. Major funders have been approached to secure their support for Ventures should income targets be missed as a result of the pandemic.
- Over-reliance on individual funders. To mitigate this risk, programme commitments are limited to available funds and pledges. The pipeline of potential funders is in continuous development.
- Ventures fail to deliver target results. Venture strategies and reviews include venture board oversight, with input from board members with appropriate expertise. Monitoring includes programme redesign if needed.
- Loss of key staff. Teams are strengthened and recruitment strategies, including succession plans, have been developed.

### **Achievements and performance**

We are pleased to report that all of our ventures had successful years. Listed below is a brief summary of the year in review for each venture.

#### ***Ark Curriculum+***

Ark Curriculum+ (AC+) was formed in 2019 following the merger of Mathematics Mastery, a venture since 2012, and English Mastery, a venture since 2017. Science Mastery was launched this year and is now working with a selection of pilot schools.

AC+ partners with schools to create great curricula that empower teachers to ensure that every child has the subject knowledge to succeed.

AC+ provides research-based and coherent curricula and pedagogical training and support for teachers as an antidote to inconsistent and poor-quality curriculum design and delivery. Our curriculum programmes are having the greatest impact in schools with a high proportion of disadvantaged students as this is often where teaching is weakest.

#### ***Achievements and performance:***

- Despite the impact of Covid-19, AC+ has begun partnerships with an additional 80 subject departments, taking the total amount of school partnerships up to more than 600 across the maths, English and the new science mastery programmes.
- AC+ used lockdown as an opportunity to accelerate diversification of its products and develop new digital programmes, which launched in the academic year 20/21, to enable the programmes to reach and support a greater number of schools.
- AC+ has supported pupils and parents through lockdown. As soon as news of a lockdown was announced, AC+ developed work packs for students and their parents to work on at home. Early versions of the work packs were given to students before they left school and subsequent iterations have been downloaded more than 50,000 times for home learning.
- AC+ has provided all of the primary maths content for Oak National Academy. By the end of summer term 2020, Oak National Academy had been accessed 16.5 million times with the reception year mathematics lessons, which were developed by AC+, being the most watched.
- As a result of Covid-19, AC+ do not have latest attainment data but comments from teachers and students across our community provide us with confidence that our programmes are having the desired impact. In previous years, results have suggested that our programmes give students, on average, at least one month's additional progress in each subject programme.

***Now Teach***

Now Teach aims to help people change their profession and redeploy their talents and experience into the classroom as teachers. Now Teach's goal is to address the teacher recruitment and retention crisis and ensure that the students who need it most get the best education possible. Now Teach received approval from the Charity Commission in April 2020 and is now registered as a charity. Now Teach (company no. 11872096, registered charity no. 1189146) has been independent from Ark UK Programmes since 1 September 2020 and is therefore shown as a discontinued operation in the financial statements for the year ended 31 August 2020.

*Achievements and performance:*

- Now Teach has increased its cohort size from 85 up to 140, an increase of 65%.
- Now Teach is seeing strong retention with 90% of this year's cohort gaining NQT status, and ready to start working in schools, predominantly in shortage subjects such as physics and modern foreign languages.
- Now Teach enjoys a high net promoter score (a measure of customer loyalty known as NPS) of 58.3% from the 2018 cohort.
- In response to Covid-19, Now Teach moved to a fully online recruitment model with great success. Attendance at information events reached an all-time high and total expressions of interest in the programme were more than double last year.

***Ark Start***

Ark Start has been formed to transform early education for disadvantaged children. Ark Start provides high-quality, teacher-led early education with a focus on working with parents to improve the home learning environment for pre-school children. We are creating a new model of flexible, affordable nursery education.

*Achievements and performance:*

- We opened our first two Ark Start nurseries in 2020/21. These are located at Ark John Archer in South London, opened in October 2020, and Ark Oval in Croydon, opened in January 2021.
- Ark Start has raised £1.45m in support of its vision for nursery education from a combination of Sequoia, the AKO Foundation, UBS and the Mercers Company.
- Ark Start has revised its business plan in recognition of the uncertainties and challenges created by the Covid-19 pandemic, including removal of reliance on any private fee income for childcare in the short-term and, instead, operating only for government funded children until at least spring 2021.

### **Future plans**

**Ark Curriculum+'s** priorities for 2020/21 are:

- The launch of new programmes and platforms, including digital-only versions of our curriculum programmes, to continue extending our reach into new schools and further into partner schools with a wider range of subject programmes.
- High retention of current partner schools on our programmes. This requires us to adapt our programmes to meet new needs which are emerging as a result of Covid-19.
- The review and improvement of feedback loops with Ark Schools and other partners for continuing improvement of AC+'s programmes.

**Ark Start's** primary objectives for 2020/21 are:

- Launch Ark Start nurseries at Ark Oval and Ark John Archer successfully, ensuring buildings are successfully delivered and a strong staff teams are recruited.
- Further development of the Ark early education model and deliver staff training programme for its delivery.

**Now Teach** became an independent charity from 1 September 2020.

### **Financial review**

Total Ark UK Programmes income during the year was £6.9m (2018/19 - £5.5m), which is made up of programme income (grants and donations, programme fees and other income from activities less endowment income). The split of programme income between the ventures was as follows:

- 60% (2018/19 – 2% to AC+, 50% to Mathematics Mastery, 14% to English Mastery) to AC+
- 26% (2018/19 - 27%) to Now Teach
- 14% (2018/19 – 0%) to Ark Start
- 0% (2018/19 - 7%) to Assembly

The principal funding sources for the year have been grants to ventures and school payments to AC+. All expenditure has supported the charity's key objectives, as described in the review of performance above.

The net movement in funds for the year was a surplus of £0.8m (2018/19 - £0.8m). This included a gain of £0.1m (2018/19 - £0.1m) on the endowments held as investments for the schools. The surplus reflects the gain on investments plus grant income received for both new and existing ventures to fund growth in future years.

The charity had net assets at 31 August 2020 of £9.2m (2018/19 - £8.4m), comprising £5.6m (2018/19 - £6.5m) of endowment funds, £3.6m (2018/19 - £1.9m) of other restricted funds and £41k (2018/19 - £46k) of unrestricted funds (the free reserves of the charity). Given the programme-related nature of the charity's activities, which are mainly funded via restricted funds, the trustees consider the level of free reserves to be satisfactory.

#### **Reserves Policy**

New Ark ventures are incubated only when external funding has been secured or a funding commitment has been made by Ark. For this reason, the charity's unrestricted reserve levels are expected to remain below £100k, with the majority of funds being restricted to the individual ventures. The unrestricted funds balance at 31 August 2020 was £41k, sufficient to fund more than 12-months' unrestricted expenditure. Within each of these restricted funds balances, the charity will aim to hold sufficient funds to cover 3-6 months of core programme operating costs.

Ark UK Programmes has taken all necessary steps to reduce both the operational and financial the impact of the Covid-19 pandemic. Costs have been closely monitored to ensure that unrestricted reserves remain sufficient to meet financial commitments and obligations. To date there has been minimal impact on income due to Covid-19, but this will continue to be closely monitored as the pandemic continues.

#### **Investment Policy**

As at 31 August 2020, Ark UK Programmes had a portfolio of investments with a market value of £6.6m (2018/19 - £7.4m).

There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term. The overall investment policy is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five-year period.

Financial derivative products are used to ameliorate the risk associated with holding investments in foreign currencies. A trustee and management meet with the investment managers at least annually to review the performance of the portfolio and the investment strategy. The trustees are satisfied that their investment policy is being achieved.

#### **Public Benefit**

Ark UK Programmes exists to advance the education of the public. The trustees have paid due regard to the Charity Commission's public benefit guidance and are satisfied that the charity complies with Section 4 of the Charities Act 2011. The sections at the beginning of this trustees' report dealing with objectives and achievements explain in detail the activities of the charity and how the public, specifically children, benefit from its work.

#### **Approach to fundraising**

Ark fundraises from a defined list of individuals, companies and charitable trusts and foundations. This list is carefully considered, and approaches are only made to those we already have a connection to, or we think there would be an interest in Ark's work. Ark's network of schools conducts their own fundraising and may use fundraising platforms to promote specific school campaigns. Platforms currently used include Just Giving and Virgin Money.

Ark's fundraising is led by a small team of professional fundraisers and support staff employed by Ark – we do not out-source fundraising activities. Our activity is based

on individual relationships with donors. Donor data is handled with care – all information is held on a secure database and files managed by Ark.

Ark is a paid member of the Fundraising Regulator and we comply with advice and guidance set by the body. We have not received any fundraising complaints.

**Statement of trustees' responsibilities**

The trustees (who are also directors of Ark UK Programmes for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 income and expenditure of the charitable company 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 in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper 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. 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.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the company and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Ark UK Programmes**

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**Trustees' report** Year ended 31 August 2020

Approved by the trustees and signed on their behalf by:

A handwritten signature in black ink that reads "Lucy Heller". The signature is written in a cursive style with a large initial 'L'.

Lucy Heller  
Trustee

Date: 21/04/2021

**Independent auditor's report to the members of Ark UK Programmes** Year ended  
31 August 2020

**Opinion**

We have audited the financial statements of Ark UK Programmes for the year ended 31 August 2020 which comprise the statement of financial activities, the income and expenditure account, the balance sheet, the statement of cash flows; the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom 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 August 2020 and of its 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.

**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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

**Independent auditor's report to the members of Ark UK Programmes** Year ended  
31 August 2020

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual 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.

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.

**Opinion on other matter 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 trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies report and in preparing the trustees reports and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Independent auditor's report to the members of Ark UK Programmes** Year ended  
31 August 2020

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purpose of company 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 trustees 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 trustees 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**

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](http://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. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 6 May 2021

Katharine Patel, Senior Statutory Auditor  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

## Ark UK Programmes

### Statement of financial activities Income and expenditure account Year to 31 August 2020

	Notes	Unrestricted £000	Restricted £000	Endowments £000	Year ended 31 August 2020 Total £000	Year ended 31 August 2019 Total £000
<b>Income from:</b>						
Donations and legacies:						
Grants and donations	2a	-	2,111	-	<b>2,111</b>	1,120
Donated services	2b	-	13	-	<b>13</b>	155
Charitable activities						
Programme fees	2c	-	2,677	-	<b>2,677</b>	3,705
Other income from activities	2c	-	229	-	<b>229</b>	-
Investments	3	-	64	-	<b>64</b>	74
Other income		-	-	-	-	72
Continuing operations		-	5,094	-	<b>5,094</b>	5,126
Discontinued operations	20	-	1,803	-	<b>1,803</b>	386
<b>Total income</b>	<b>6</b>	<b>-</b>	<b>6,897</b>	<b>-</b>	<b>6,897</b>	5,512
<b>Expenditure on:</b>						
Raising funds						
Investment management fees		-	-	55	<b>55</b>	59
Interest on finance lease		-	-	1	<b>1</b>	1
Charitable activities						
Support to programmes	4,5	5	3,754	-	<b>3,759</b>	4,176
Grants from endowments	4	-	-	931	<b>931</b>	-
Donated services	2b,4	-	13	-	<b>13</b>	155
Continuing operations		5	3,767	987	<b>4,759</b>	4,391
Discontinued operations	20	-	1,437	-	<b>1,437</b>	418
<b>Total expenditure</b>	<b>6</b>	<b>5</b>	<b>5,204</b>	<b>989</b>	<b>6,196</b>	4,809
Net (expenditure) income before gains on investments		(5)	1,693	(987)	<b>701</b>	703
Gains on investments	10	-	-	83	<b>83</b>	147
Net expenditure (income) and net movement in funds		<b>(5)</b>	<b>1,693</b>	<b>(904)</b>	<b>784</b>	850
<b>Reconciliation of funds</b>						
<b>Funds brought forward at 1 September 2019</b>		46	1,885	6,518	8,449	7,851
<b>Funds carried forward at 31 August 2020</b>	<b>6</b>	<b>41</b>	<b>3,578</b>	<b>5,614</b>	<b>9,233</b>	8,449

There were no recognised gains and losses in the period other than those stated above.

## Ark UK Programmes

### Statement of financial activities

#### Income and expenditure account Year to 31 August 2020

	<b>Contin- uing operations 2020 £000</b>	<b>Discontin- ued operations 2020 £000</b>	<b>Year ended 2020 £000</b>	Contin- uing operations 2019 £000	Discontin- ued operations 2019 £000	Year ended 2019 £000
Total income	5,094	1,803	<b>6,897</b>	5,126	386	5,512
Total expenditure	(3,772)	(1,437)	<b>(5,209)</b>	(4,331)	(418)	(4,749)
<b>Net income/ (expenditure) for the year</b>	<b>1,322</b>	<b>366</b>	<b>1,688</b>	<b>795</b>	<b>(32)</b>	<b>763</b>

The income and expenditure accounts above excludes the movement on the endowments fund. It is stated before gains on investments and transfers.

The summary income and expenditure account is derived from the statement of financial activities on page 13 which, together with the notes to the financial statements on pages 18 to 35, provides full information on the movements during the year on all the funds of the charity.

Total income of £6,897k (2018/19 - £5,512k) comprises of £0k (2018/19 - £7k) in relation to unrestricted funds and £6,897k (2018/19 - £5,505k) in relation to restricted funds. A detailed analysis of income and expenditure by source is provided in the statement of financial activities and the notes to the financial statements.

Net income for the year of £1,688k (2018/19 - £763k) comprises net expenditure of £5k (2018/19 - £7k net expenditure) in relation to unrestricted funds and net income of £1,693k (2018/19 - £770k) in relation to restricted funds, as shown in the statement of financial activities.

## Ark UK Programmes

### Balance Sheet as at 31 August 2020

	Notes	2020 £000	2019 £000
<b>Fixed assets</b>			
Investment property	9	766	742
Investment assets	10	6,577	7,415
		<b>7,343</b>	<b>8,157</b>
<b>Current assets</b>			
Debtors	11	3,420	963
Short term deposits		572	572
Cash at bank and in hand		1,582	2,132
		<b>5,574</b>	<b>3,667</b>
<b>Creditors: amounts due within one year</b>	12	<b>(3,522)</b>	<b>(3,243)</b>
<b>Net current assets (liabilities)</b>		<b>2,052</b>	<b>424</b>
<b>Total assets less current liabilities</b>		<b>9,395</b>	<b>8,581</b>
<b>Creditors: amounts due after more than one year</b>	13	<b>(162)</b>	<b>(132)</b>
<b>Net assets</b>		<b>9,233</b>	<b>8,449</b>
<b>The funds of the charity</b>			
Unrestricted general funds		41	46
Restricted funds		3,578	1,885
Endowment funds		5,614	6,518
<b>Total funds</b>	6	<b>9,233</b>	<b>8,449</b>

Approved by the Board of Trustees and signed on its behalf by:



Trustee

Date: 21/04/2021

Company registration no: 05932797

## Ark UK Programmes

### Statement of cash flows Year to 31 August 2020

	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities:</b>			
Net cash (used in) provided by operating activities	A	<b>(626)</b>	732
<b>Cash (used in) provided by operating activities</b>		<b>(626)</b>	732
<b>Cash flows from investing activities:</b>			
Investment income		<b>64</b>	74
Proceeds from the disposal of investments		<b>6,721</b>	3,313
Receipts from short term deposits		-	198
Purchase of investments		<b>(5,716)</b>	(3,187)
<b>Net cash provided by investing activities</b>		<b>1,069</b>	398
<b>Cash flows from financing activities:</b>			
Endowment payment		<b>(931)</b>	-
<b>Net cash used in financing activities</b>		<b>(931)</b>	-
<b>Change in cash and cash equivalents in the year</b>		<b>(487)</b>	1,130
<b>Cash and cash equivalents at 1 September</b>	B	<b>2,149</b>	1,329
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>31</b>	(310)
<b>Cash and cash equivalents at 31 August</b>	B	<b>1,693</b>	2,149

The endowment withdrawal relates to a £931k transfer to Ark Schools for capital expenditure projects. More detail has been provided at note 6.

## Ark UK Programmes

### Statement of cash flows Year to 31 August 2020

#### Notes to the statement of cash flows for the year to 31 August 2020.

#### A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2020 £000	2019 £000
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>784</b>	850
<b>Adjustments for:</b>		
(Gains) on investments	<b>(83)</b>	(147)
Investment income	<b>(64)</b>	(74)
Expenditure from endowments	<b>931</b>	-
(Decrease) in debtors (excluding endowment debtors)	<b>(2,457)</b>	(498)
(Increase) in creditors (excluding endowment creditors)	<b>264</b>	601
<b>Net cash provided by operating activities</b>	<b>(626)</b>	732

#### B Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	<b>1,582</b>	2,132
Cash held by investment managers	<b>111</b>	17
<b>Total cash and cash equivalents</b>	<b>1,693</b>	2,149

Cash held by investment managers relates to the endowments invested with JP Morgan. It is not available for use by Ark UK Programmes to further charitable activities.

#### C Analysis of changes in net debt

	At 1 September 2019 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 August 2020 £'000
Cash at bank and in hand	2,132	(551)	—	<b>1,581</b>
Cash held by investment managers	17	94	—	<b>111</b>
Short term deposits	572	—	—	<b>572</b>
	2,721	(457)	—	<b>2,264</b>
Finance lease obligations	(132)	(30)	—	<b>(162)</b>
<b>Total</b>	<b>2,589</b>	<b>(487)</b>	<b>—</b>	<b>2,102</b>

## **1 Accounting policies**

### ***Basis of preparation***

These financial statements have been prepared for the year to 31 August 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Charities Act 2011 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

### ***Critical accounting estimates and areas of judgement***

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- Estimating the impact of Covid-19 on the charity's income and expenditure flows for the purpose of preparing cash flow forecast and budgets to assist in the assessment of going concern;
- Allocating support costs across charitable activities;
- Timing of income recognition for programme fees;
- Classification of leases as finance or operating;
- Determining the discount rate for future cash flows;
- Measurement of fair values of the investment property.

### ***Assessment of going concern***

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

In making their assessment, the trustees of the charity have considered the impact of the global coronavirus pandemic and have acknowledged that some areas of work may be challenged by the impact of Covid-19, for example the delivery of AC+ activity in schools. However, the charity has put steps in place to reduce its costs through the temporary cessation of training events and as explained in the trustees' report, is using the lockdown to diversify its produce range through the online provision of parts of the AC+ provision.

A number of areas of judgement that affect items in the accounts have been identified above. In addition, the most significant areas that affect the carrying value of the

assets held by the charity in the next accounting period (the year ending 31 August 2021) are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information). Whilst this is likely to lead to a reduction in income, the trustees remain of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. In the unlikely event that the charity was unable to meet its liabilities, the parent charity, Ark, would provide the necessary financial support in the form of a grant or loan.

The trustees have therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

***Fund accounting***

Restricted funds are those which are to be used for a specified purpose as stipulated by the donor and agreed by the charity.

Unrestricted funds are those which the donor gives to the charity without stipulating a specific purpose. They are to be used for the furtherance of the objects of the charity in general and may be applied to specific projects at the discretion of the trustees to further the charity's purposes.

The endowment fund represents monies invested on behalf of individual Ark academies. Any returns generated on these funds can be used without restriction, but only by the academy in question, and are therefore recognised as restricted income. The initial capital can only be used with agreement of the Secretary of State for Education, unless it is spent on 'equipment, facilities, accommodation, landscaping and signage' at the relevant academy. The Ark All Saints Academy endowment is a permanent endowment for which Ark UK Programmes has been appointed as the trustee.

All income and expenditure is shown in the Statement of Financial Activities.

***Income***

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received. Where a service is provided over a period that spans more than one accounting period, a judgement is made as to the amount of income that should be accrued or deferred.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included as expenditure.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

***Expenditure***

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is accounted for on an accruals basis, and has been classified under headings that aggregate all costs related to the category.

Ark UK Programmes is registered for VAT and reclaims VAT in its business-related expenditure. Irrecoverable VAT is included in expenditure when incurred.

Costs of raising funds are those incurred in seeking donations for the charity and in publicising the work of the charity.

Expenditure on charitable activities comprise expenditure related to the direct furtherance of the charity's objectives. In the accounts of the charity the award of a grant is recorded as charitable expenditure and the unspent amount is held in the balance sheet as a grant creditor.

***Allocation of overhead and support costs***

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, payroll and Governance costs which support the charity's programmes and activities. Governance costs are those incurred in connection with the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Where costs cannot be directly attributed, they have been allocated to activities. The basis for the allocation of support costs to charitable activities is set out in note 5 to the financial statements.

***Volunteers and donated services***

With the exception of trustees, patrons and a small number of advisors who all provide their services on a voluntary basis, the charity does not rely upon volunteers or donated services in delivering services. The financial value of services donated by advisors is included as expenditure at an estimated fair value and a corresponding value of income is included as an in-kind donation.

***Discontinued activities***

Where a decision has been made to discontinue or terminate an activity in accordance with the definitions contained within FRS 102, income, costs and obligations associated with the discontinuing operation are recognised within the year. The income, costs and obligations are disclosed separately on the face of the statement of financial activities.

***Investments***

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

A fair value hierarchy that prioritises the inputs to valuation techniques is used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The levels of fair value hierarchy are described below:

- Level 1 (listed investments) – Unadjusted quoted process in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

- Level 2 (unlisted investments) – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable either directly or indirectly; and
- Level 3 (unlisted investments) – Prices or valuation that requires inputs that are both significant to the fair value measurement and unobservable.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices for an identical instrument, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub-sectors.

#### ***Investment Property***

Investment property is held by Ark UK Programmes to earn rentals and for capital appreciation, rather than for use in the ordinary course of business. Investment properties are measured at cost and subsequently at fair value at the reporting date. Professional advice is sought as appropriate to determine the valuation of investment property. Changes in fair values are recognised in the statement of financial activities.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised. The cost of maintenance, repairs and minor improvements is recognised in the statement of financial activities when occurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the statement of financial activities.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the rate of exchange ruling at the balance sheet date.

#### ***Operating lease***

Operating lease rentals are charged on a straight-line basis over the term of the lease. These are included in Charitable Activities expenditure in the Statement of Financial Activities.

#### ***Finance lease***

A finance lease is recognised when it is determined that the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee.

At the commencement of the lease term, Ark UK Programmes recognises its rights of use and obligations under the finance lease as an asset and a liability in the statement of financial position at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, determined at the

inception of the lease. Where the implicit rate cannot be determined the charity's incremental borrowing rate is used.

Any initial direct costs are added to the amount recognised as an asset. Subsequently, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method, including updating the effective interest rate to reflect the charity's incremental cost of capital. This rate was 0.74% (2018/19 - 0.99%).

***Debtors***

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

***Cash at bank and in hand***

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

***Creditors and provisions***

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment when such discounting is material.

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2020

#### 2 a Grants and Donations

During the year the organisation received the following grants and donations:

<b>2020</b>	Unrestricted £000	Restricted £000	Endowments £000	<b>Total 2020 £000</b>
Ark Curriculum+	-	1,179	-	<b>1,179</b>
Ark Start	-	932	-	<b>932</b>
<b>Continuing operations</b>	-	<b>2,111</b>	-	<b>2,111</b>
Now Teach	-	428	-	<b>428</b>
<b>Discontinued operations</b>	-	<b>428</b>	-	<b>428</b>
<b>2020 total</b>	-	<b>2,538</b>	-	<b>2,538</b>

<i>2019</i>	<i>Unrestricted £000</i>	<i>Restricted £000</i>	<i>Endowments £000</i>	<i>Total 2019 £000</i>
<i>Mathematics Mastery</i>	-	26	-	26
<i>English Mastery</i>	-	359	-	359
<i>Ark Curriculum+</i>	-	122	-	122
<i>Now Teach</i>	-	613	-	613
<i>Continuing operations</i>	-	1,120	-	1,120
<i>Assembly</i>	-	337	-	337
<i>Discontinued operations</i>	-	337	-	337
<i>2019 total</i>	-	1,457	-	1,457

#### 2 b Donated Services

During the year the organisation received the following donated services:

<b>2020</b>	Unrestricted £000	Restricted £000	Endowments £000	<b>Total 2020 £000</b>
Ark Curriculum+	-	13	-	<b>13</b>
<b>Continuing operations</b>	-	<b>13</b>	-	<b>13</b>
Now Teach	-	288	-	<b>288</b>
<b>Discontinued operations</b>	-	<b>288</b>	-	<b>288</b>
<b>2020 total</b>	-	<b>301</b>	-	<b>301</b>

<i>2019</i>	<i>Unrestricted £000</i>	<i>Restricted £000</i>	<i>Endowments £000</i>	<i>Total 2019 £000</i>
<i>Mathematics Mastery</i>	-	7	-	7
<i>English Mastery</i>	-	1	-	1
<i>Now Teach</i>	-	141	-	141
<i>Unrestricted</i>	6	-	-	6
<i>2019 total</i>	6	149	-	155

Donated services, for example event space, are valued at the open market cost as determined by the supplier.

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2020

#### 2 c Income from charitable activities

During the year the organisation received the following income from charitable activities:

<b>2020</b>	Unrestricted £000	Restricted £000	Endowments £000	<b>Total 2020 £000</b>
Ark Curriculum+	-	2,677	-	<b>2,677</b>
	-	<b>2,677</b>	-	<b>2,677</b>
<b>Other income from charitable activities</b>				
Ark Curriculum+	-	229	-	<b>229</b>
<b>Continuing operations</b>	-	<b>2,906</b>	-	<b>2,906</b>
Now Teach	-	1,087	-	<b>1,087</b>
<b>Discontinued operations</b>	-	<b>1,087</b>	-	<b>1,087</b>
<b>2020 total</b>	-	<b>3,993</b>	-	<b>3,993</b>

<i>2019</i>	<i>Unrestricted £000</i>	<i>Restricted £000</i>	<i>Endowments £000</i>	<i>Total 2019 £000</i>
<i>Mathematics Mastery</i>	-	2,623	-	2,623
<i>English Mastery</i>	-	409	-	409
<i>Now Teach</i>	-	673	-	673
<i>Continuing operations</i>	-	3,705	-	3,705
<i>Assembly</i>	-	49	-	49
<i>Discontinued operations</i>	-	49	-	49
<i>2019 total</i>	-	3,754	-	3,754

#### 3 Investment income

<b>2020</b>	Unrestricted £000	Restricted £000	<b>Total 2020 £000</b>
Income and interest from listed investments	-	47	<b>47</b>
Income from investment property	-	17	<b>17</b>
<b>2020 total</b>	-	<b>64</b>	<b>64</b>

<i>2019</i>	<i>Unrestricted £000</i>	<i>Restricted £000</i>	<i>Total 2019 £000</i>
<i>Income and interest from listed investments</i>	-	48	48
<i>Interest from cash deposits</i>	1	-	1
<i>Income from investment property</i>	-	25	25
<i>2019 total</i>	1	73	74

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2020

#### 3 Investment income (continued)

In 2009/10, Ark UK Programmes was given responsibility for the administration of the endowments held on behalf of individual Ark sponsored academies. These funds are invested with JP Morgan and the relationship is set out in a Deed of Gift between Ark UK Programmes, Ark and the Secretary of State for Education. King Solomon Academy contributed an additional £750k into its endowment, which is outside of the Deed of Gift. In January 2015, Ark UK Programmes was appointed as the trustee of an endowment held under a Trust Deed for Ark All Saints Academy (formerly St Michael and All Angels Church of England Academy). The value of the endowment transferred into Ark UK Programmes was £607k.

#### 4 Analysis of charitable expenditure

	Activities undertaken directly £000	Donated services (see note 2b) £000	Grant funding of activities £000	Support costs £000	Total 2020 £000
<b>2020</b>					
<b>Charitable expenditure</b>					
Ark Curriculum+	3,605	13	-	141	<b>3,759</b>
Endowment programme	1	-	931	5	<b>937</b>
Unrestricted	1	-	-	2	<b>3</b>
<b>Continuing operations</b>	<b>3,607</b>	<b>13</b>	<b>931</b>	<b>148</b>	<b>4,699</b>
Now Teach	1,083	288	-	66	<b>1,437</b>
<b>Discontinued operations</b>	<b>1,083</b>	<b>288</b>	<b>-</b>	<b>66</b>	<b>1,437</b>
<b>2020 total</b>	<b>4,690</b>	<b>301</b>	<b>931</b>	<b>214</b>	<b>6,136</b>

	Activities undertaken directly £000	Donated services (see note 2b) £000	Grant funding of activities £000	Support costs £000	Total 2019 £000
<i>2019</i>					
<i>Charitable expenditure</i>					
<i>Mathematics Mastery</i>	<i>2,297</i>	<i>7</i>	<i>-</i>	<i>111</i>	<i>2,415</i>
<i>English Mastery</i>	<i>610</i>	<i>1</i>	<i>-</i>	<i>24</i>	<i>635</i>
<i>Ark Curriculum+</i>	<i>22</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>22</i>
<i>Now Teach</i>	<i>1,029</i>	<i>141</i>	<i>-</i>	<i>50</i>	<i>1,220</i>
<i>Expanding Horizons</i>	<i>-</i>	<i>-</i>	<i>10</i>	<i>-</i>	<i>10</i>
<i>Endowment programme</i>	<i>8</i>	<i>-</i>	<i>-</i>	<i>7</i>	<i>15</i>
<i>Unrestricted</i>	<i>5</i>	<i>6</i>	<i>-</i>	<i>3</i>	<i>14</i>
<i>Continuing operations</i>	<i>3,971</i>	<i>155</i>	<i>10</i>	<i>195</i>	<i>4,331</i>
<i>Assembly</i>	<i>404</i>	<i>-</i>	<i>-</i>	<i>14</i>	<i>418</i>
<i>Discontinued operations</i>	<i>404</i>	<i>-</i>	<i>-</i>	<i>14</i>	<i>418</i>
<b>2019 total</b>	<b>4,375</b>	<b>155</b>	<b>10</b>	<b>209</b>	<b>4,749</b>

Expenditure on support costs was funded by both unrestricted reserves and restricted programme funds. Following Trustees' approval, £931k of endowments were transferred to Ark Schools for capital investment projects.

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2020

#### 5 Allocation of support costs

<b>2020</b>	Finance £000	HR £000	Governance £000	Other overheads and support staff £000	<b>Total 2020 £000</b>
<b>Charitable expenditure</b>					
Ark Curriculum+	76	15	7	47	<b>145</b>
Endowment programme	1	-	-	-	<b>1</b>
Unrestricted	-	-	-	2	<b>2</b>
<b>Continuing operations</b>	<b>77</b>	<b>15</b>	<b>7</b>	<b>49</b>	<b>148</b>
Now Teach	29	7	3	27	<b>66</b>
<b>Discontinued operations</b>	<b>29</b>	<b>7</b>	<b>3</b>	<b>27</b>	<b>66</b>
<b>2020 total</b>	<b>106</b>	<b>22</b>	<b>10</b>	<b>76</b>	<b>214</b>

Finance and HR costs are allocated on the basis of time spent on each programme. Other overheads consist of the desk charge, which is allocated on the basis of the number of desks reserved for each programme, IT costs and any remaining core costs.

The allocation of support costs to activities in note 4 provides a more accurate picture of the full costs of these activities. It does not represent use of programme funds.

<i>2019</i>	<i>Finance £000</i>	<i>HR £000</i>	<i>Governance £000</i>	<i>Other overheads and support staff £000</i>	<i>Total 2019 £000</i>
<i>Charitable expenditure</i>					
<i>Mathematics Mastery</i>	<i>58</i>	<i>7</i>	<i>5</i>	<i>41</i>	<i>111</i>
<i>English Mastery</i>	<i>12</i>	<i>1</i>	<i>3</i>	<i>8</i>	<i>24</i>
<i>Now Teach</i>	<i>24</i>	<i>3</i>	<i>6</i>	<i>17</i>	<i>50</i>
<i>Endowment programme</i>	<i>6</i>	<i>-</i>	<i>1</i>	<i>-</i>	<i>7</i>
<i>Unrestricted</i>	<i>-</i>	<i>-</i>	<i>3</i>	<i>-</i>	<i>3</i>
<i>Continuing operations</i>	<i>100</i>	<i>11</i>	<i>18</i>	<i>66</i>	<i>195</i>
<i>Assembly</i>	<i>9</i>	<i>1</i>	<i>3</i>	<i>1</i>	<i>14</i>
<i>Discontinued operations</i>	<i>9</i>	<i>1</i>	<i>3</i>	<i>1</i>	<i>14</i>
<i>2019 total</i>	<i>109</i>	<i>12</i>	<i>21</i>	<i>67</i>	<i>209</i>

**6 Analysis of net movement in funds**

<b>2020</b>	At 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (losses) and transfers £000	<b>At 31 August 2020 £000</b>
<b>Restricted funds</b>					
Mathematics Mastery	<b>987</b>	-	-	(987)	-
English Mastery	<b>134</b>	-	-	(134)	-
Ark Curriculum+	<b>100</b>	4,098	(3,754)	1,121	<b>1,565</b>
Ark Start	-	932	-	-	<b>932</b>
Ark Schools endowment interest	<b>324</b>	64	(13)	-	<b>375</b>
Continuing operations	<b>1,545</b>	5,094	(3,767)	-	<b>2,872</b>
Now Teach	<b>340</b>	1,803	(1,437)	-	<b>706</b>
Discontinued operations	<b>340</b>	1,803	(1,437)	-	<b>706</b>
<b>2020 total</b>	<b>1,885</b>	<b>6,897</b>	<b>(5,204)</b>	-	<b>3,578</b>
<b>Endowment funds</b>	<b>6,518</b>	-	(987)	83	<b>5,614</b>
<b>Unrestricted funds</b>					
General	<b>46</b>	-	(5)	-	<b>41</b>
<b>Total funds</b>	<b>8,449</b>	<b>6,897</b>	<b>(6,196)</b>	<b>83</b>	<b>9,233</b>

On 1 September 2019 Mathematics Mastery and English Mastery joined to form Ark Curriculum+. The restricted funds of Ark Curriculum+ have arisen from grants given specifically for use by Ark Curriculum+ plus fees from schools signed up to the programmes. The Ark Start restricted funds have arisen from the receipt of grant income for use specifically on the respective programmes. The Now Teach restricted funds have arisen from programme fees for recruitment of teachers plus grant income restricted for use by Now Teach. Now Teach became an independent charity on 1 September 2020. The entire funds balance held by Ark UK Programmes for Now Teach on 31 August 2020 transferred to the independent Now Teach charity (company no. 11872096, registered charity no. 1189146), effective 1 September 2020.

The Ark Schools Endowment interest in restricted funds has arisen from dividends and interest paid out on the endowment investments held by Ark UK Programmes on behalf of individual Ark academies. The income is restricted to use by the Ark academy from whose endowment the income arose. The endowment fund represents monies invested on behalf of individual Ark academies. Any returns generated on these funds can be used without restriction, but only by the academy in question, and are therefore recognised as restricted income. The initial capital can only be used with agreement of the Secretary of State for Education, unless it is to be spent on 'equipment, facilities, accommodation, landscaping or signage' at the relevant academy. The exception to this is the Ark All Saints Endowment for which Ark UK Programmes was appointed the trustee in January 2015. The principal sum of this endowment can only be spent with the permission of the Secretary of State. At 31 August 2020 the balance of expendable endowments was £4,846k (2018/19 - £5,766k) and the balance of permanent endowments was £768k (2018/19 - £752k).

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2020

#### 6 Analysis of net movement in funds (continued)

In the year, £987k expenditure was made from endowments: £931k transfer to Ark Schools for capital expenditure projects (2018/19 - £nil); £55k for investment manager fees (2018/19 - £59k) and £1k interest on the finance lease (2018/19 - £1k, note 14).

<i>2019</i>	<i>At 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (losses) and transfers £000</i>	<i>At 31 August 2019 £000</i>
<i>Restricted funds</i>					
<i>Mathematics Mastery</i>	728	2,674	(2,415)	-	987
<i>English Mastery</i>	-	769	(635)	-	134
<i>Ark Curriculum+</i>	-	122	(22)	-	100
<i>Now Teach</i>	79	1,481	(1,220)	-	340
<i>Expanding Horizons</i>	10	-	(10)	-	-
<i>Ark Schools endowment interest</i>	266	73	(15)	-	324
<i>Continuing operations</i>	1,083	5,119	(4,317)	-	1,885
<i>Assembly</i>	32	386	(418)	-	-
<i>Discontinued operations</i>	32	386	(418)	-	-
<i>2019 total</i>	1,115	5,505	(4,735)	-	1,885
 <i>Endowment funds</i>	 6,431	 -	 (60)	 147	 6,518
 <i>Unrestricted funds</i>					
<i>General</i>	53	7	(14)	-	46
 <i>Total funds</i>	 7,599	 5,512	 (4,809)	 147	 8,449

#### 7 Net movement in funds

Net movement in funds is stated after charging:

	<b>2020 £000</b>	2019 £000
Statutory audit fees	<b>8</b>	8
Other audit and tax fees	<b>2</b>	-
Operating lease rentals	<b>72</b>	175

The future minimum operating lease payments are as follows:

	<b>2020 £000</b>	2019 £000
Not later than one year	-	53
Total gross payments	-	53

**8 Staff costs and numbers**

	<b>2020</b>	2019
	<b>£000</b>	£000
Salaries and wages	<b>2,767</b>	2,424
Social security costs	<b>282</b>	258
Pension costs	<b>306</b>	264
	<b>3,355</b>	2,946

Included in salaries and wages were redundancy and ex-gratia severance payments totalling £12,486 (2018/19 –£nil) committed but unpaid in the year. They will be settled in 2020/21.

The average number of staff, and the full time equivalent, employed during the period was:

	<b>Headcount</b>		<b>FTE</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
Charitable activities	<b>60</b>	53	<b>56</b>	50
Support to activities	<b>3</b>	3	<b>2</b>	2
	<b>63</b>	56	<b>58</b>	52

The number of employees during the period who earned over £60,000 in the year (including benefits) was as follows:

	<b>2020</b>	2019
	<b>£000</b>	£000
£60,001 - £70,000	<b>3</b>	1
£70,001 - £80,000	<b>3</b>	2
£80,001 - £90,000	<b>1</b>	1
£90,001 - £100,000	-	-
£100,001 - £110,000	<b>1</b>	-
	<b>8</b>	4

The pension contributions made on behalf of the above employees was £67,016 (2018/19 - £34,584)

Key management personnel of Ark UK Programmes comprise the trustees and the senior management team as listed on pages 1 and 3. The total amount of employee benefits (including pension and social security contributions) received by key management personnel was £107,273 (2019 - £104,744). Payment to all key management personnel was made by the parent charity, Ark.

**9 Investment property**

	Land and buildings £000	<b>Total £000</b>
<b>Cost or valuation:</b>		
At 1 September 2019	742	<b>742</b>
Increase in fair value	24	<b>24</b>
At 31 August 2020	<u>766</u>	<u><b>766</b></u>
Carrying amount at 1 September 2019	<u>742</u>	<u><b>742</b></u>

The long leasehold investment property is held at fair value. Completion of the property was on 20 May 2016. The Directors have performed the valuation of the property at 31 August 2020 based on publicly available information.

Included in the amount for investment property is £162,208 (2018/19 - £131,897) relating to assets held under a finance lease (note 14).

**10 Investment assets**

	<b>2020 £000</b>	2019 £000
<b>Listed investments</b>		
Market value at 1 September	<b>7,398</b>	7,102
Additions to investments at cost	<b>5,716</b>	3,187
Disposals at market value (proceeds: £6,721k (2018/19: £3,313k); gain £123k (2018/19: loss £17k)	<b>(6,598)</b>	(3,330)
Net unrealised investment (loss)/gain	<b>(50)</b>	439
Market value at 31 August	<u><b>6,466</b></u>	7,398
<b>Cash held by investment managers for reinvestment</b>	<b>111</b>	17
	<u><b>6,577</b></u>	<u>7,415</u>
Cost of listed investments at 31 August	<u>6,102</u>	<u>5,689</u>

All listed investments were traded on a recognised stock exchange. Listed investments held at 31 August comprised the following:

	<b>2020 £000</b>	2019 £000
Overseas equities	<b>3,475</b>	3,811
Fixed interest	<b>2,420</b>	998
Foreign exchange contracts	<b>38</b>	(106)
Alternative assets	<b>533</b>	2,099
Cash, deposits and short term	-	135
Miscellaneous	-	461
	<u><b>6,466</b></u>	<u>7,398</u>

**10 Investment assets (continued)**

All investments are held in a portfolio of diversified funds. Accordingly, no individual holding is considered to be material when compared to the total value of the listed investment portfolio at 31 August 2020.

Foreign exchange forward contracts are used to ameliorate the risk associated with holding investments in foreign currencies. These are held by the investment managers and form part of their strategy for managing risk.

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Unrealised gains included above:</b>		
On investments	<b>364</b>	1,709
<b>Total unrealised gains at 31 August</b>	<b>364</b>	1,709
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 September	<b>1,709</b>	1,680
Less: in respect to disposals in the year	<b>(1,295)</b>	(410)
Add: net unrealised gains	<b>(50)</b>	439
<b>Total unrealised gains at 31 August</b>	<b>364</b>	1,709

**11 Debtors**

	<b>2020</b>	2019
	<b>£000</b>	£000
Trade debtors	<b>1,448</b>	416
Prepayments and other debtors	<b>57</b>	74
Accrued income	<b>207</b>	30
Amounts due from Absolute Return for Kids (Ark)	<b>1,598</b>	332
Amounts due from Ark Schools	<b>110</b>	111
	<b>3,420</b>	963

**12 Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	<b>£000</b>	£000
Accruals	<b>192</b>	85
Trade creditors	<b>234</b>	202
Deferred income	<b>1,078</b>	1,421
Amounts due to Absolute Return for Kids (Ark)	<b>290</b>	148
Amounts due to Ark Schools	<b>1,520</b>	1,266
Taxation and social security	<b>190</b>	97
Other creditors	<b>18</b>	24
	<b>3,522</b>	3,243

**12 Creditors: Amounts falling due within one year (continued)**

Movements in deferred income are analysed below.

	At 31 August 2019 £000	Released from previous year £000	Deferred in current year £000	At 31 August 2020 £000
Programme fees	1,421	(1,421)	1,078	<b>1,078</b>
<b>Total deferred income</b>	<b>1,421</b>	<b>(1,421)</b>	<b>1,078</b>	<b>1,078</b>

**13 Creditors: Amounts falling due after more than one year**

	2020 £000	2019 £000
Finance lease liability	<b>162</b>	132
	<b>162</b>	132

**14 Finance lease**

The future minimum finance lease payments are as follows:

	2020 £000	2019 £000
Not later than one year*	-	-
Later than one year and not later than five years	<b>2</b>	2
Later than five years	<b>301</b>	301
Total gross payments	<b>303</b>	303
Less: finance charges	<b>(141)</b>	(171)
Carrying amount of liability	<b>162</b>	132

*\*Lease payments of £400 are due in no later than one year.*

The finance lease relates to the investment property (note 9). There are no contingent rental, renewal or purchase option clauses.

**15 Analysis of net assets between funds**

<b>2020</b>	Unrestricted General fund £000	Restricted funds £000	Endowment funds £000	<b>Total £000</b>
<b>Fund balances at 31 August 2020 are represented by:</b>				
Investment assets	-	374	6,969	<b>7,343</b>
Current assets	12	5,386	174	<b>5,573</b>
Creditors: amounts falling due within one year	29	(2,182)	(1,367)	<b>(3,521)</b>
Creditors: amounts falling due in more than one year	-	-	(162)	<b>(162)</b>
<b>Total net assets</b>	<b>41</b>	<b>3,578</b>	<b>5,614</b>	<b>9,233</b>

<i>2019</i>	<i>Unrestricted General fund £000</i>	<i>Restricted funds £000</i>	<i>Endowment funds £000</i>	<i>Total £000</i>
<i>Fund balances at 31 August 2019 are represented by:</i>				
<i>Investment assets</i>	-	<i>321</i>	<i>7,836</i>	<i>8,157</i>
<i>Current assets</i>	<i>(25)</i>	<i>3,526</i>	<i>166</i>	<i>3,667</i>
<i>Creditors: amounts falling due within one year</i>	<i>71</i>	<i>(1,962)</i>	<i>(1,352)</i>	<i>(3,243)</i>
<i>Creditors: amounts falling due in more than one year</i>	-	-	<i>(132)</i>	<i>(132)</i>
<i>Total net assets</i>	<i>46</i>	<i>1,885</i>	<i>6,518</i>	<i>8,449</i>

**16 Trustees' remuneration and expenses**

The Chief Executive became a trustee of the charity on 1 September 2010. The Deputy Chief Executive became a trustee of the charity on 24 January 2019. For the year ended 31 August 2020 their combined remuneration by the parent charity, Ark, (including performance related bonus) in relation to their roles in Ark UK Programmes was £87,448 (2018/19 - £85,506) and employer's pension contribution was £8,525 (2018/9 - £8,250). No expenses were reimbursed through Ark UK Programmes. No other trustees of the company received any payment or other emoluments from the charity in the period.

**17 Related party transactions**

The charity is a wholly owned subsidiary of Absolute Return for Kids (Ark). Ark UK Programmes has taken advantage of the exemption available under Section 33 of FRS 102 Related Party Disclosure not to disclose group transactions between the charity and its parent.

During the year the organisation had the following transactions with Ark Schools. Ark Schools is an Ark family member, and the trustees of Ark UK Programmes are also directors of Ark Schools.

*Income from Ark Schools and individual Ark academies:*

£94k (2018/19 - £220k) towards the costs of the Mathematics Mastery programme.

£28k (2018/19 - £52k) towards the costs of the English Mastery programme.

£4k (2018/19 - £9k) towards training sessions provided by Ark Teacher Training.

£14k (2018/19 - £nil) towards the cost of recruitment fees for the Now Teach programme.

**18 Ultimate parent undertaking**

During the year under review, the company's immediate and ultimate parent undertaking was Absolute Return for Kids (ARK). Ark is registered in England as a charitable company limited by guarantee (company registration number 04589451; charity registration number 1095322). For the period under review, Ark has included Ark UK Programmes within its group financial statements, copies of which are available at its registered office: The Yellow Building, 1 Nicholas Road, London, W11 4AN.

**19 Taxation**

Ark UK Programmes has charitable status (charity number 1137932). Given the nature of its activities the charity will not be subject to income tax or corporation tax on income derived from its charitable activities, as it would fall within the various exemptions available to registered charities.

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2020

#### 20 Discontinued operations

On 1 September 2020, Now Teach became an independent charity and will not be included within Ark UK Programmes' accounts in future years. Income and expenditure included in the accounts relating to Now Teach in 2019/20 is shown below. The comparatives include balances for Now Teach and Assembly which was a discontinued operation in 2018/19.

The Now Teach fund balance of £0.7m will be shown as a transfer out in the 2020/21 accounts.

	Restricted £000	Year ended 31 August 2020 Total £000	Year ended 31 August 2019 Total £000
<b>Income from:</b>			
Donations and legacies:			
Grants and donations	428	<b>428</b>	946
Donated services	288	<b>288</b>	141
Charitable activities			
Programme fees	1,087	<b>1,087</b>	724
Other income	-	-	54
<b>Total income</b>	<b>1,803</b>	<b>1,803</b>	<b>1,864</b>
<b>Expenditure on:</b>			
Charitable activities			
Support to programmes	1,437	<b>1,437</b>	1,638
<b>Total expenditure</b>	<b>1,437</b>	<b>1,437</b>	<b>1,638</b>
<b>Net income (expenditure)</b>	<b>366</b>	<b>366</b>	<b>226</b>

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2020

#### 21 Comparative statement of financial activities for continuing operations

	Notes	Unrestricted £000	Restricted £000	Endowments £000	Year ended 31 August 2019 Total £000	
<b>Income from:</b>						
<b>Donations and legacies:</b>						
Grants and donations	2a	-	1,120	-	1,120	<
Donated services	2b	6	149	-	155	<
<b>Charitable activities</b>						
Programme fees	2c	-	3,705	-	3,705	
Other income from activities	2c	-	-	-	-	
Investments	3	1	73	-	74	<
Other income		-	72	-	72	
Continuing operations		7	5,119	-	5,126	
Discontinued operations	20	-	386	-	386	
<b>Total income</b>	<b>6</b>	<b>7</b>	<b>5,505</b>	<b>-</b>	<b>5,512</b>	
		^	^		^	
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Investment management fees		-	-	59	59	
Interest on finance lease		-	-	1	1	
<b>Charitable activities</b>						
Support to programmes	4,5	8	4,168	-	4,176	<
Donated services	2b,4	6	149	-	155	<
Continuing operations		14	4,317	60	4,391	<
Discontinued operations	20	-	418	-	418	
<b>Total expenditure</b>	<b>6</b>	<b>14</b>	<b>4,735</b>	<b>60</b>	<b>4,809</b>	
		^	^	^	^	
Net (expenditure) income before gains on investments		(7)	770	(60)	703	<
Gains on investments	10	-	-	147	147	
<b>Net expenditure (income) and net movement in funds</b>		<b>(7)</b>	<b>770</b>	<b>87</b>	<b>850</b>	<b>&lt;</b>
		^	^	^	^	
<b>Reconciliation of funds</b>						
Funds brought forward at 1 September 2018		53	1,115	6,431	7,599	<
Funds carried forward at 31 August 2019	6	46	1,885	6,518	8,449	<
		^	^	^	^	