

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

Reference and administrative details

Trustees	Lord Fink Lucy Heller Michael Clark
Company Secretary	Elizabeth Dawson
Chief Executive	Lucy Heller
Registered office (as of 4 December 2020)	The Yellow Building 1, Nicholas Road London W11 4AN
Company registration number	05932797
Charity registration number	1137932
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank plc 95 George Street Croydon CR9 2NS
Solicitor	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
Investment manager	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 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.

Trustees' report Year ended 31 August 2020

Approved by the trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Lucy Heller', written in a cursive style.

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. 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

					Year ended 31 August 2020 Total £000	Year ended 31 August 2019 Total £000
	Notes	Unrestricted £000	Restricted £000	Endowments £000		
Income from:						
Donations and legacies:						
Grants and donations	2a	-	2,111	-	2,111	1,120
Donated services	2b	-	13	-	13	155
Charitable activities						
Programme fees	2c	-	2,677	-	2,677	3,705
Other income from activities	2c	-	229	-	229	-
Investments	3	-	64	-	64	74
Other income		-	-	-	-	72
Continuing operations		-	5,094	-	5,094	5,126
Discontinued operations	20	-	1,803	-	1,803	386
Total income	6	-	6,897	-	6,897	5,512
Expenditure on:						
Raising funds						
Investment management fees		-	-	55	55	59
Interest on finance lease		-	-	1	1	1
Charitable activities						
Support to programmes	4,5	5	3,754	-	3,759	4,176
Grants from endowments	4	-	-	931	931	-
Donated services	2b,4	-	13	-	13	155
Continuing operations		5	3,767	987	4,759	4,391
Discontinued operations	20	-	1,437	-	1,437	418
Total expenditure	6	5	5,204	989	6,196	4,809
Net (expenditure) income before gains on investments		(5)	1,693	(987)	701	703
Gains on investments	10	-	-	83	83	147
Net expenditure (income) and net movement in funds		(5)	1,693	(904)	784	850
Reconciliation of funds						
Funds brought forward at 1 September 2019		46	1,885	6,518	8,449	7,851
Funds carried forward at 31 August 2020	6	41	3,578	5,614	9,233	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

	Contin- uing operations 2020 £000	Discontin- ued operations 2020 £000	Year ended 2020 £000	Contin- uing operations 2019 £000	Discontin- ued operations 2019 £000	Year ended 2019 £000
Total income	5,094	1,803	6,897	5,126	386	5,512
Total expenditure	(3,772)	(1,437)	(5,209)	(4,331)	(418)	(4,749)
Net income/ (expenditure) for the year	1,322	366	1,688	795	(32)	763

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.

Balance Sheet as at 31 August 2020

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
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(626)	732
Cash (used in) provided by operating activities		(626)	732
Cash flows from investing activities:			
Investment income		64	74
Proceeds from the disposal of investments		6,721	3,313
Receipts from short term deposits		-	198
Purchase of investments		(5,716)	(3,187)
Net cash provided by investing activities		1,069	398
Cash flows from financing activities:			
Endowment payment		(931)	-
Net cash used in financing activities		(931)	-
Change in cash and cash equivalents in the year		(487)	1,130
Cash and cash equivalents at 1 September	B	2,149	1,329
Change in cash and cash equivalents due to exchange rate movements		31	(310)
Cash and cash equivalents at 31 August	B	1,693	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.

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
Net movement in funds (as per the statement of financial activities)	784	850
Adjustments for:		
(Gains) on investments	(83)	(147)
Investment income	(64)	(74)
Expenditure from endowments	931	-
(Decrease) in debtors (excluding endowment debtors)	(2,457)	(498)
(Increase) in creditors (excluding endowment creditors)	264	601
Net cash provided by operating activities	(626)	732

B Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	1,582	2,132
Cash held by investment managers	111	17
Total cash and cash equivalents	1,693	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)	—	1,581
Cash held by investment managers	17	94	—	111
Short term deposits	572	—	—	572
	2,721	(457)	—	2,264
Finance lease obligations	(132)	(30)	—	(162)
Total	2,589	(487)	—	2,102

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:

2020	Unrestricted £000	Restricted £000	Endowments £000	Total 2020 £000
Ark Curriculum+	-	1,179	-	1,179
Ark Start	-	932	-	932
Continuing operations	-	2,111	-	2,111
Now Teach	-	428	-	428
Discontinued operations	-	428	-	428
2020 total	-	2,538	-	2,538

<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:

2020	Unrestricted £000	Restricted £000	Endowments £000	Total 2020 £000
Ark Curriculum+	-	13	-	13
Continuing operations	-	13	-	13
Now Teach	-	288	-	288
Discontinued operations	-	288	-	288
2020 total	-	301	-	301

<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.

2 c Income from charitable activities

During the year the organisation received the following income from charitable activities:

2020	Unrestricted £000	Restricted £000	Endowments £000	Total 2020 £000
Ark Curriculum+	-	2,677	-	2,677
	-	2,677	-	2,677
Other income from charitable activities				
Ark Curriculum+	-	229	-	229
Continuing operations	-	2,906	-	2,906
Now Teach	-	1,087	-	1,087
Discontinued operations	-	1,087	-	1,087
2020 total	-	3,993	-	3,993

<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

2020	Unrestricted £000	Restricted £000	Total 2020 £000
Income and interest from listed investments	-	47	47
Income from investment property	-	17	17
2020 total	-	64	64

<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
2020					
Charitable expenditure					
Ark Curriculum+	3,605	13	-	141	3,759
Endowment programme	1	-	931	5	937
Unrestricted	1	-	-	2	3
Continuing operations	3,607	13	931	148	4,699
Now Teach	1,083	288	-	66	1,437
Discontinued operations	1,083	288	-	66	1,437
2020 total	4,690	301	931	214	6,136

	Activities undertaken directly £000	Donated services (see note 2b) £000	Grant funding of activities £000	Support costs £000	Total 2019 £000
2019					
<i>Charitable expenditure</i>					
<i>Mathematics Mastery</i>	2,297	7	-	111	2,415
<i>English Mastery</i>	610	1	-	24	635
<i>Ark Curriculum+</i>	22	-	-	-	22
<i>Now Teach</i>	1,029	141	-	50	1,220
<i>Expanding Horizons</i>	-	-	10	-	10
<i>Endowment programme</i>	8	-	-	7	15
<i>Unrestricted</i>	5	6	-	3	14
<i>Continuing operations</i>	3,971	155	10	195	4,331
<i>Assembly</i>	404	-	-	14	418
<i>Discontinued operations</i>	404	-	-	14	418
2019 total	4,375	155	10	209	4,749

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

2020	Finance £000	HR £000	Governance £000	Other overheads and support staff £000	Total 2020 £000
Charitable expenditure					
Ark Curriculum+	76	15	7	47	145
Endowment programme	1	-	-	-	1
Unrestricted	-	-	-	2	2
Continuing operations	77	15	7	49	148
Now Teach	29	7	3	27	66
Discontinued operations	29	7	3	27	66
2020 total	106	22	10	76	214

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

2020	At 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (losses) and transfers £000	At 31 August 2020 £000
Restricted funds					
Mathematics Mastery	987	-	-	(987)	-
English Mastery	134	-	-	(134)	-
Ark Curriculum+	100	4,098	(3,754)	1,121	1,565
Ark Start	-	932	-	-	932
Ark Schools endowment interest	324	64	(13)	-	375
Continuing operations	1,545	5,094	(3,767)	-	2,872
Now Teach	340	1,803	(1,437)	-	706
Discontinued operations	340	1,803	(1,437)	-	706
2020 total	1,885	6,897	(5,204)	-	3,578
Endowment funds	6,518	-	(987)	83	5,614
Unrestricted funds					
General	46	-	(5)	-	41
Total funds	8,449	6,897	(6,196)	83	9,233

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).

	At 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (losses) and transfers £000	At 31 August 2019 £000
<i>2019</i>					
<i>Restricted funds</i>					
Mathematics Mastery	728	2,674	(2,415)	-	987
English Mastery	-	769	(635)	-	134
Ark Curriculum+	-	122	(22)	-	100
Now Teach	79	1,481	(1,220)	-	340
Expanding Horizons	10	-	(10)	-	-
Ark Schools endowment interest	266	73	(15)	-	324
Continuing operations	1,083	5,119	(4,317)	-	1,885
Assembly	32	386	(418)	-	-
Discontinued operations	32	386	(418)	-	-
<i>2019 total</i>	<i>1,115</i>	<i>5,505</i>	<i>(4,735)</i>	<i>-</i>	<i>1,885</i>
<i>Endowment funds</i>	<i>6,431</i>	<i>-</i>	<i>(60)</i>	<i>147</i>	<i>6,518</i>
<i>Unrestricted funds</i>					
General	53	7	(14)	-	46
<i>Total funds</i>	<i>7,599</i>	<i>5,512</i>	<i>(4,809)</i>	<i>147</i>	<i>8,449</i>

7 Net movement in funds

Net movement in funds is stated after charging:

	2020 £000	2019 £000
Statutory audit fees	8	8
Other audit and tax fees	2	-
Operating lease rentals	72	175

The future minimum operating lease payments are as follows:

	2020 £000	2019 £000
Not later than one year	-	53
Total gross payments	-	53

8 Staff costs and numbers

	2020 £000	2019 £000
Salaries and wages	2,767	2,424
Social security costs	282	258
Pension costs	306	264
	3,355	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:

	Headcount		FTE	
	2020	2019	2020	2019
Charitable activities	60	53	56	50
Support to activities	3	3	2	2
	63	56	58	52

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

	2020 £000	2019 £000
£60,001 - £70,000	3	1
£70,001 - £80,000	3	2
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	-
	8	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	Total £000
Cost or valuation:		
At 1 September 2019	742	742
Increase in fair value	24	24
At 31 August 2020	766	766
Carrying amount at 1 September 2019	742	742

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

	2020 £000	2019 £000
Listed investments		
Market value at 1 September	7,398	7,102
Additions to investments at cost	5,716	3,187
Disposals at market value (proceeds: £6,721k (2018/19: £3,313k); gain £123k (2018/19: loss £17k)	(6,598)	(3,330)
Net unrealised investment (loss)/gain	(50)	439
Market value at 31 August	6,466	7,398
Cash held by investment managers for reinvestment	111	17
	6,577	7,415
Cost of listed investments at 31 August	6,102	5,689

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

	2020 £000	2019 £000
Overseas equities	3,475	3,811
Fixed interest	2,420	998
Foreign exchange contracts	38	(106)
Alternative assets	533	2,099
Cash, deposits and short term	-	135
Miscellaneous	-	461
	6,466	7,398

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.

	2020 £000	2019 £000
Unrealised gains included above:		
On investments	364	1,709
Total unrealised gains at 31 August	364	1,709
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 September	1,709	1,680
Less: in respect to disposals in the year	(1,295)	(410)
Add: net unrealised gains	(50)	439
Total unrealised gains at 31 August	364	1,709

11 Debtors

	2020 £000	2019 £000
Trade debtors	1,448	416
Prepayments and other debtors	57	74
Accrued income	207	30
Amounts due from Absolute Return for Kids (Ark)	1,598	332
Amounts due from Ark Schools	110	111
	3,420	963

12 Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Accruals	192	85
Trade creditors	234	202
Deferred income	1,078	1,421
Amounts due to Absolute Return for Kids (Ark)	290	148
Amounts due to Ark Schools	1,520	1,266
Taxation and social security	190	97
Other creditors	18	24
	3,522	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	1,078
Total deferred income	1,421	(1,421)	1,078	1,078

13 Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Finance lease liability	162	132
	162	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	2	2
Later than five years	301	301
Total gross payments	303	303
Less: finance charges	(141)	(171)
Carrying amount of liability	162	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

2020	Unrestricted General fund £000	Restricted funds £000	Endowment funds £000	Total £000
Fund balances at 31 August 2020 are represented by:				
Investment assets	-	374	6,969	7,343
Current assets	12	5,386	174	5,573
Creditors: amounts falling due within one year	29	(2,182)	(1,367)	(3,521)
Creditors: amounts falling due in more than one year	-	-	(162)	(162)
Total net assets	41	3,578	5,614	9,233

2019	Unrestricted General fund £000	Restricted funds £000	Endowment funds £000	Total £000
Fund balances at 31 August 2019 are represented by:				
Investment assets	-	321	7,836	8,157
Current assets	(25)	3,526	166	3,667
Creditors: amounts falling due within one year	71	(1,962)	(1,352)	(3,243)
Creditors: amounts falling due in more than one year	-	-	(132)	(132)
Total net assets	46	1,885	6,518	8,449

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.

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
Income from:			
Donations and legacies:			
Grants and donations	428	428	946
Donated services	288	288	141
Charitable activities			
Programme fees	1,087	1,087	724
Other income	-	-	54
Total income	1,803	1,803	1,864
Expenditure on:			
Charitable activities			
Support to programmes	1,437	1,437	1,638
Total expenditure	1,437	1,437	1,638
Net income (expenditure)	366	366	226

21 Comparative statement of financial activities for continuing operations

	Notes	Unrestricted £000	Restricted £000	Endowments £000	Year ended 31 August 2019 Total £000	
Income from:						
Donations and legacies:						
Grants and donations	2a	-	1,120	-	1,120	<
Donated services	2b	6	149	-	155	<
Charitable activities						
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	
Total income	6	7	5,505	-	5,512	
		^	^		^	
Expenditure on:						
Raising funds						
Investment management fees		-	-	59	59	
Interest on finance lease		-	-	1	1	
Charitable activities						
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	
Total expenditure	6	14	4,735	60	4,809	
		^	^	^	^	
Net (expenditure) income before gains on investments		(7)	770	(60)	703	<
Gains on investments	10	-	-	147	147	
Net expenditure (income) and net movement in funds		(7)	770	87	850	<
		^	^	^	^	
Reconciliation of funds						
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	<
		^	^	^	^	