

**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.

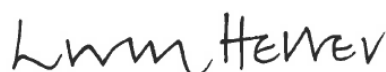
Each of the trustees confirms that:

- 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

**Independent auditor's report to the member of Ark UK Programmes** Year ended 31 August 2021

**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.

**Independent auditor's report to the member of Ark UK Programmes** Year ended 31 August 2021

**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.

**Independent auditor's report to the member of Ark UK Programmes** Year ended 31 August 2021

**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

**Independent auditor's report to the member of Ark UK Programmes** Year ended 31 August 2021

**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.

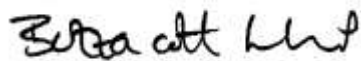
A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**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

					<b>Year ended 31 August 2021 Total £000</b>	<b>Year ended 31 August 2020 Total £000</b>
	Notes	Unrestricted £000	Restricted £000	Endowments £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	-	-	-	<b>-</b>	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	-	-	-	<b>-</b>	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	-	-	-	<b>-</b>	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.

**Statement of financial activities- Year ended 31 August 2021**

	<b>Continuing operations 2021 £000</b>	<b>Discontinued operations 2021 £000</b>	<b>Year ended 2021 £000</b>	Continuing operations 2020 £000	Discontinued operations 2020 £000	Year ended 2020 £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
		<b>7,028</b>	7,343
<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
		<b>4,176</b>	5,574
<b>Creditors:</b> amounts due within one year	12	<b>(1,641)</b>	(3,522)
<b>Net current assets</b>		<b>2,535</b>	2,052
<b>Total assets less current liabilities</b>		<b>9,563</b>	9,395
<b>Creditors:</b> amounts due after more than one year	13	<b>(126)</b>	(162)
<b>Net assets</b>		<b>9,437</b>	9,233
<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	<b>9,437</b>	9,233

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> <b>£'000</b>	2020 £'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 September 2020 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 August 2021 £'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	<u>572</u>	<u>-</u>	<u>-</u>	<u><b>572</b></u>
	2,264	251	-	<b>2,515</b>
Finance lease obligations	<u>(162)</u>	<u>36</u>	<u>-</u>	<u><b>(126)</b></u>
<b>Total</b>	<u>2,102</u>	<u>287</u>	<u>-</u>	<u><b>2,389</b></u>

## **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.

**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	<b>47</b>
Income from investment property	-	17	<b>17</b>
<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	1,437
<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	<b>141</b>
Endowment programme	5	-	-	-	<b>5</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>	29	7	3	27	<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).

	At 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (losses) and transfers £000	At 31 August 2020 £000
<b>2020</b>					
<b>Restricted funds</b>					
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
<b>Continuing operations</b>	<b>1,545</b>	<b>5,094</b>	<b>(3,767)</b>	<b>-</b>	<b>2,872</b>
Now Teach	340	1,803	(1,437)	-	706
Discontinued operations	340	1,803	(1,437)	-	706
<b>2020 total</b>	<b>1,885</b>	<b>6,897</b>	<b>(5,204)</b>	<b>-</b>	<b>3,578</b>
<b>Endowment funds</b>	<b>6,518</b>	<b>-</b>	<b>(987)</b>	<b>83</b>	<b>5,614</b>
<b>Unrestricted funds</b>					
General	46	-	(5)	-	41
<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+.

**7 Net movement in funds**

Net movement in funds is stated after charging:

	<b>2021 £000</b>	<b>2020 £000</b>
Statutory audit fees	<b>8</b>	8
Other audit and tax fees	-	2
Operating lease rentals	-	72

The future minimum operating lease payments are as follows:

	<b>2021 £000</b>	<b>2020 £000</b>
Not later than one year	-	-
Total gross payments	-	-

## 8 Staff costs and numbers

	2021 £000	2020 £000
Salaries and wages	2,398	2,767
Social security costs	258	282
Pension costs	268	306
	<b>2,924</b>	<b>3,355</b>

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:

	Headcount	
	2021	2020
Charitable activities	48	60
Support to activities	4	3
	<b>52</b>	<b>63</b>

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

	2021 £000	2020 £000
£60,001 - £70,000	6	3
£70,001 - £80,000	2	3
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<b>10</b>	<b>8</b>

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	Total £000
<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 £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 £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>

<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	5,388	174	<b>5,574</b>
Creditors: amounts falling due within one year	29	(2,184)	(1,367)	<b>(3,522)</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>

**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
<b>Income from:</b>	
Donations and legacies:	
Grants and donations	428
Donated services	288
Charitable activities	
Programme fees	1,087
<b>Total income</b>	<b>1,803</b>
<b>Expenditure on:</b>	
Charitable activities	
Support to programmes	1,437
<b>Total expenditure</b>	<b>1,437</b>
<b>Net income</b>	<b>366</b>



**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.