

Ark UK Programmes

Annual Report and Financial Statements

31 August 2022

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

Charity registration number 1137932

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Reference and administrative details

Trustees	Michael Clark Lord Fink Lucy Heller
Company Secretary	Elizabeth Dawson
Chief Executive	Lucy Heller
Registered Office	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 2022.

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

Objectives and principal activities

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

Organisation

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

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

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

Trustees

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

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

Michael Clark

Lord Fink

Lucy Heller

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 and are remunerated by Ark.

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

Risk management

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

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

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

Risk management (continued)

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

Achievements and performance

Ark Curriculum Plus

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

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

Achievements and performance:

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

Ark Start

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

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

Achievements and performance (continued)

Ark Start (continued)

Achievements and performance:

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

Mathematics Education for Social Mobility and Excellence (MESME)

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

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

Achievements and performance:

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

Future plans

Ark Curriculum Plus

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

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

Ark Start

In 2022/23, Ark Start plans to:

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

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

STEM Venture Builder

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

Martingale Foundation

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

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

Financial review

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

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

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

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

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

Reserves Policy

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

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

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

Investment Policy

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

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

Investment Policy (continued)

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

Public Benefit

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

Approach to fundraising

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

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

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

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

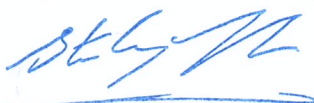
Each of the trustees confirms that:

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

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

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

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



Trustee

Date: 17/05/2023

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

Opinion

We have audited the financial statements of Ark UK Programmes (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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

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 2022

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's member as a body, for our audit work, for this report, or for the opinions we have formed.

26 May 2023



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

Ark UK Programmes

Statement of financial activities- Year ended 31 August 2022

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

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

Statement of financial activities- Year ended 31 August 2022

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

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

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

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

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

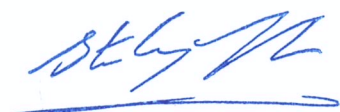
Note that the above includes the one-off transfer in 2021 to Now Teach.

Ark UK Programmes

Balance sheet 31 August 2022

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

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



Lord Fink

Trustee

Date: 18/05/2023

Company registration no: 05932797

Statement of cash flows Year to 31 August 2022

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

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

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

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

Statement of cash flows Year to 31 August 2022

Notes to the statement of cash flows for the year to 31 August 2022
(continued).**B Analysis of cash and cash equivalents**

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

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

C Analysis of changes in net debt

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

1 Accounting policies

Basis of preparation

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

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

Assessment of going concern

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

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

1 Accounting policies (continued)

Assessment of going concern (continued)

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

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

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

Fund accounting

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

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

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

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

Income

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

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

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

1 Accounting policies (continued)

Expenditure

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

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

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

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

Allocation of overhead and support costs

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

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

Volunteers and donated services

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

Discontinued activities

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

Investments

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

1 Accounting policies (continued)

Investments (continued)

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

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

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

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

Investment Property

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

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

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

Foreign currencies

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

1 Accounting policies (continued)

Operating lease

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

Finance lease

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

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

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

2 a. Grants and Donations

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

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

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

2 b. Donated Services

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

2 c. Income from charitable activities

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

Ark UK Programmes

Notes to the financial statements Year to 31 August 2022

2 c. Income from charitable activities (continued)

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

3 Investment income

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

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

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

4 Analysis of charitable expenditure

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

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

5 Allocation of support costs

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

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

5 Allocation of support costs (continued)

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

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

6 Analysis of net movement in funds

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

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

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

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

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

6 Analysis of net movement in funds (continued)

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

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

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

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

7 Net movement in funds

Net movement in funds is stated after charging:

	2022 £'000	2021 £'000
Statutory audit fees	9	8

8 Staff costs and numbers

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

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

The average number of staff employed during the period was:

	Headcount	
	2022	2021
Charitable activities	49	48
Support to activities	5	4
	54	52

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

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

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

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

9 Investment property

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

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

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

10 Investment assets

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

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

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

10 Investment assets (continued)

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

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

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

11 Debtors

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

12 Creditors: Amounts falling due within one year

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

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

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

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

13 Creditors: Amounts falling due after more than one year

	2022 £'000	2021 £'000
Finance lease liability	31	126
	31	126

14 Finance lease

The future minimum finance lease payments are as follows:

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

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

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

15 Analysis of net assets between funds

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

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

16 Trustees' remuneration and expenses

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

17 Related party transactions

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

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

Income from Ark Schools and individual Ark academies:

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

Expenditure incurred with Ark Schools:

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

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

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

18 Ultimate parent undertaking

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

19 Taxation

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

20 Post balance sheet events

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

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

21 Comparative statement of financial activities for continuing operations

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

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