

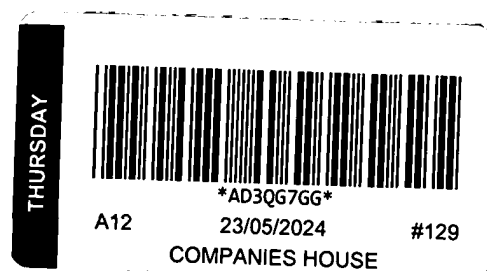
Ark UK Programmes

**Annual Report and Financial
Statements**

31 August 2023

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

Charity registration number 1137932



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Reference and administrative details

Trustees	Lord Fink Lucy Heller Katie Oliver
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

Trustees' report including Strategic Report Year ended 31 August 2023

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

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

Objectives and principal activities

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

Organisation

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

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

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

Trustees

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

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

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

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

Trustees (continued)

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

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

Key management personnel

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

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

Risk management

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

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

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

Risk management (continued)

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

Achievements, performance, and future plans

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

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

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

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

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

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

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

Achievements, performance, and future plans (continued)

Ark Start

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

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

Achievements and performance:

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

Future plans

In 2023/24, Ark Start plans to:

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

Ark Curriculum Plus

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

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

Achievements, performance, and future plans (continued)

Ark Curriculum Plus (continued)

Achievements and performance:

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

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

Future plans

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

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

Martingale Postgraduate Foundation

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

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

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

Achievements, performance, and future plans (continued)

Martingale Postgraduate Foundation (continued)

Achievements and performance:

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

Future plans

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

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

Science Technology Engineering and Maths (STEM) Excellence Portfolio

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

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

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

Achievements, performance, and future plans (continued)

MESME

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

Financial review

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

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

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

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

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

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

Reserves Policy

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

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

Reserves Policy (continued)

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

Investment Policy

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

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

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

Public Benefit

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

Approach to fundraising

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

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

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

Statement of trustees' responsibilities

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

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

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

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

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

Each of the trustees confirms that:

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

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

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

Approved by the trustees and signed on their behalf by:



Lucy Heller

Trustee

Date: 18/03/2024

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

Opinion

We have audited the financial statements of Ark UK Programmes (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ♦ give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its income and expenditure for the year then ended;
- ♦ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ♦ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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 2023

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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



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

21 May 2024

Ark UK Programmes

Statement of financial activities- Year ended 31 August 2023

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

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

Statement of financial activities- Year ended 31 August 2023

Income and expenditure account:

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

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

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

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

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

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

Ark UK Programmes

Balance sheet 31 August 2023

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

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



Lucy Heller

Trustee

Date: 18/03/2024

Company registration no: 05932797

Ark UK Programmes

Statement of cash flows Year to 31 August 2023

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

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

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

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

B Analysis of cash and cash equivalents

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

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.

Statement of cash flows Year to 31 August 2023

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

C Analysis of changes in net debt

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

1 Accounting policies

Basis of preparation

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

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

Assessment of going concern

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

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

1 Accounting policies (continued)

Assessment of going concern (continued)

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

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

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

Fund accounting

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

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

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

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

Income

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

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

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

1 Accounting policies (continued)

Expenditure

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

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

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

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

Allocation of overhead and support costs

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

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

Volunteers and donated services

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

Discontinued activities

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

Investments

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

1 Accounting policies (continued)

Investments (continued)

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

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

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

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

Investment Property

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

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

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

Foreign currencies

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

1 Accounting policies (continued)

Operating lease

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

Finance lease

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

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

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Ark UK Programmes

Notes to the financial statements Year to 31 August 2023

2 a. Grants and Donations

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

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

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

2 b. Income from charitable activities

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

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				
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 2023

3 Investment income

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

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

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

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

4 Analysis of charitable expenditure (continued)

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

5 Allocation of support costs

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

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

Ark UK Programmes

Notes to the financial statements Year to 31 August 2023

5 Allocation of support costs (continued)

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

6 Analysis of net movement in funds

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

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

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

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

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

6 Analysis of net movement in funds (continued)

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

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

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

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

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

7 Net movement in funds

Net movement in funds is stated after charging:

	2023 £'000	2022 £'000
Statutory audit fees	11	9

Notes to the financial statements Year to 31 August 2023

8 Staff costs and numbers

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

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

The average number of staff employed during the period was:

	Headcount	
	2023	2022
Charitable activities	71	49
Support to activities	5	5
	76	54

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

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

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

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

Notes to the financial statements Year to 31 August 2023

9 Investment property

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

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

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

10 Investment assets

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

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

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

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

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

Notes to the financial statements Year to 31 August 2023

10 Investment assets (continued)

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

11 Debtors

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

12 Creditors: Amounts falling due within one year

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

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

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

Notes to the financial statements Year to 31 August 2023

13 Creditors: Amounts falling due after more than one year

	2023 £'000	2022 £'000
Finance lease liability	17	31
	17	31

14 Finance lease

The future minimum finance lease payments are as follows:

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

*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
2023				
Fund balances at 31 August 2023 are represented by:				
Investment assets	-	580	5,255	5,835
Current assets	479	16,995	75	17,549
Creditors: amounts falling due within one year	(434)	(2,354)	(187)	(2,975)
Creditors: amounts falling due in more than one year	-	-	(17)	(17)
Total net assets	45	15,221	5,126	20,392
	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

16 Trustees' remuneration and expenses

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

17 Related party transactions

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

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

Income from Ark Schools and individual Ark academies:

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

Expenditure incurred with Ark Schools:

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

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

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

18 Ultimate parent undertaking

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

19 Taxation

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

20 Post balance sheet events

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

21 Discontinued operations

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

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

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

22 Comparative statement of financial activities for continuing operations

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

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