

Company registration number: 07564773

Charity registration number: 1141690

The Ark Association

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

Mrs Sara Passey
AIMS Accountants for Business
9 Church Street
Langham
Rutland
LE15 7JE

The Ark Association

Reference and Administrative Details

Trustees	C McGrory Mary Darlington (resigned 4 December 2023) Nicola Cowling Mica-Claire Foort Louise Trevor (appointed 1 August 2023 and resigned 15 April 2024) Lynn Starkey (appointed 31 July 2023) Sarah Jane Davis (appointed 12 September 2023)
Principal Office	c/o Oakham C of E School Burley Road Oakham Rutland LE15 6GY
Company Registration Number	07564773
Charity Registration Number	1141690
Solicitors	Freeth Cartwright LLP Cumberland Court 80 Mount Street Nottingham NG1 6HH
Independent Examiner	Mrs Sara Passey AIMS Accountants for Business 9 Church Street Langham Rutland LE15 7JE

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Trustees' Report

Aims:

The aims of the Ark include the following:

- To offer high standards of education, stimulation and fun within a relaxed but structured environment in partnership with parents.
- To provide all children with a broad and balanced learning environment that is committed to the integration of children with special needs. The philosophy is that all children 'with or without special needs' should have the opportunity to develop to their full potential alongside other children in an educational environment.
- To work within guidelines for special educational needs set out in the 2001 Code of Practice insofar as they relate to pre-school settings.

The curriculum is based on seven areas of knowledge and enquiry that form the basis of education at every stage. The Foundation Stage (Early Learning Goals) list these as:

- personal and social and emotional development
- mathematics
- physical development
- expressive arts and design
- communication and language development
- literacy
- understanding the world

Although these play an important part in planning, they are not presented to the children as discrete nursery subjects. Teaching at the Ark Association does not take the form of instruction. Rather the children are presented with a range of activities from which they can make their own choices and learn through playing and exploring the many resources we provide.

The Ark Association will always put the needs of the children first, striking a balance between care, play and learning. Our open-door policy and joint computerised assessments welcome parents' involvement given their personal knowledge of their child.

The Board of Directors/Trustees, managers and staff are committed to providing the best service they can to the highest standard, with the safety and welfare of our children being paramount.

The charity operates from two sites in Oakham. One site owned by the charity (Ark 1) which is located on Princess Avenue and one rented from Oakham C of E school on a short term rental agreement (Ark 2) being located at Burley Road. Each of the nurseries and out of school clubs are run the same, however, each provision has its own unique qualities and facilities.

Strategies for 2023/2024

Over the next year the organisation has the following specific aims:

- To remain as a Charitable organisation with changes to the Trustees roles.
- To continue to work within our Business plan and increase cash flow.
- To create and operate a new governance Executive board with Senior Members of Staff to have full responsibility of governance.

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Trustees' Report

Financial review

The charity reports a total surplus for the year of £8,749. This is a drop on the surplus of £19,751 reported last year with pressures from increasing costs due to overall funding, staffing, staffing and economic impacts. The charity has also invested in new resources during the financial year for all age groups including a large outdoor mud kitchen and lots of new toys for each room.

Total income has increased by 5% to £437,751 although with demand this could have been higher down to staffing challenges.

As intimated above, costs overall, have increased year on year by around 8% or £32,777. Staff costs make up over 80% of the overall costs of the charity and higher minimum wages and the importance of retaining good staff have meant that staff costs have increased year on year by £25,983. The Trustees recognise the wage cost challenge which is being closely managed alongside further staff efficiency measures. The risk is losing long term staff (including key person risk) and recruiting new staff remains a top priority for the Board in 2024/25.

This year the charity has treated all staff to a meal out to celebrate their efforts as well as recognise the long service (25 years) of one of its members.

As mentioned above, investment in new toys and equipment during the last year cost around £2,500 more than the previous year (£7,600 against £5,100). The Ark has been hit by higher electricity prices and there continues to be more repairs for undertaking at the Princess Avenue site.

Consultancy costs have in general reduced, although during the last year the charity has incurred high legal fees following amendments to its Memorandum and Articles of Association, allowing for Trustees to be employees. This was a necessary measure as the chaity was unable to find Trustees and could not continue without being quorate.

As expected, due to higher occupancy levels and high inflation, spend on food and nursery meals has increased by £1,764 compared to last year.

Overall, the Trustees are happy to report a small surplus. The charity will need reserves to enable it to deal with larger repairs or investments such as the minibus, which remains key to some of the services we provide. The charity now holds free reserves of £58,422 at the balance sheet date. This would more than cover a month's wages and overheads but situations can change very quickly so ideally the charity would like to hold around £100,000 which would cover around 3 months wages and overheads or cover other significant costs arising.

The Trustees continue to review the financials monthly, look to streamline spend and cost efficiencies, with a set of reports that is designed to help identify trends and pinpoint issues quickly. Bookkeeping has been transferred to Quickbooks where Trustees are looking for further ways to enhance financial reporting.

The Ark Association

Trustees' Report

Recruitment and appointment of trustees

The directors of the company are also charity trustees for the purpose of charity law. The trustees will be elected at the Annual General Meeting and shall retire by rotation one each third year.

The AGM for 2023 took place on 28 November 2023.

The minimum number of directors under the Articles of Association is 3 and there are currently 5.

Induction and training of trustees

Any new trustees and committee members are given an overview of the Ark Association including details of the history and background of the charity together with the information of the financial position. In addition, new trustees are provided with copies of the Charity Commission guidance booklet 'The Essential Trustee: An Introduction' and 'The Essential Trustee: What you need to know'.

Organisational structure

During 2023/24, the directors/trustees had board meetings at least once a term.

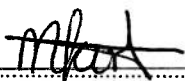
Major risks and management of those risks

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Ark is making steps to ensure risk factors are regularly reviewed. The current immediate risk factors considered include recruitment and retention of staff as well as government and local authority funding rates which have a significant impact on the setting's financial status.

Further enhancement to Top & Emerging Risks are being developed in 2024/25.

The annual report was approved by the trustees of the charity on 25/11/24 and signed on its behalf by:



Mica-Claire Foort
Trustee

The Ark Association

Independent Examiner's Report to the trustees of The Ark Association

I report on the accounts of the charity for the year ended 31 March 2024 which are set out on pages 11 to 21 .

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Chartered Institute of Management Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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Statement of Financial Activities for the Year Ended 31 March 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income and Endowments from:					
Charitable activities	3	436,887	-	436,887	413,574
Other trading activities	4	230	-	230	1,822
Investment income	5	613	-	613	35
Other income		21	-	21	545
Total Income		<u>437,751</u>	<u>-</u>	<u>437,751</u>	<u>415,976</u>
Expenditure on:					
Charitable activities		<u>428,912</u>	<u>90</u>	<u>429,002</u>	<u>396,225</u>
Total Expenditure	6	<u>428,912</u>	<u>90</u>	<u>429,002</u>	<u>396,225</u>
Net income/(expenditure)		<u>8,839</u>	<u>(90)</u>	<u>8,749</u>	<u>19,751</u>
Net movement in funds		8,839	(90)	8,749	19,751
Reconciliation of funds					
Total funds brought forward		<u>228,574</u>	<u>597</u>	<u>229,171</u>	<u>209,419</u>
Total funds carried forward	16	<u>237,413</u>	<u>507</u>	<u>237,920</u>	<u>229,170</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 16.

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Notes to the Financial Statements for the Year Ended 31 March 2024

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The Ark Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. The charity has taken advantage of the exemption available to smaller charities to report all expenditure under total expenditure and this is broken down further in the notes.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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Notes to the Financial Statements for the Year Ended 31 March 2024

3 Income from charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2024	2023
		£	£
Fees - Burley Road	434,595	434,595	412,188
Milk	2,292	2,292	1,386
	<u>436,887</u>	<u>436,887</u>	<u>413,574</u>

4 Income from other trading activities

	Unrestricted funds		
	General	Total	Total
	£	2024	2023
		£	£
Fundraising events	230	230	1,822
	<u>230</u>	<u>230</u>	<u>1,822</u>

5 Investment income

	Unrestricted funds		
	General	Total	Total
	£	2024	2023
		£	£
Interest receivable on bank deposits	613	613	35
	<u>613</u>	<u>613</u>	<u>35</u>

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Notes to the Financial Statements for the Year Ended 31 March 2024

8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

C McGrory

C McGrory received remuneration of £2,220 (2023: £5,250) during the year.

The remuneration paid to C McGrory is payment for providing financial and business support.

As the majority of Trustees received remuneration during the year authority was requested from the Charity Commission and the charity's articles of association have been updated and approved on 28 September 2023.

Nicola Cowling

Nicola Cowling received remuneration of £21,120 (2023: £18,974) during the year.

The remuneration paid to N Cowling is salary for her employment.

Employer pension contributions of £633.59 were also paid by the charity on behalf of N Cowling (2023 - £569.30).

As the majority of Trustees received remuneration during the year authority was requested from the Charity Commission and the charity's articles of association have been updated and approved on 28 September 2023.

Mica-Claire Foort

Mica-Claire Foort received remuneration of £26,475 (2023: £23,493) during the year.

The remuneration paid to M Foort is salary for her employment.

Employer pension contributions of £794.27 were also paid by the charity on behalf of M Foort (2023 - £704.88).

~~As the majority of Trustees received remuneration during the year authority was requested from the Charity Commission and the charity's articles of association have been updated and approved on 28 September 2023.~~

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Notes to the Financial Statements for the Year Ended 31 March 2024

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Toys & Equipment £	Total £
Cost					
At 1 April 2023	182,914	30,919	11,994	26,765	252,592
Additions	-	499	-	1,302	1,801
At 31 March 2024	<u>182,914</u>	<u>31,418</u>	<u>11,994</u>	<u>28,067</u>	<u>254,393</u>
Depreciation					
At 1 April 2023	17,136	22,077	11,320	18,008	68,541
Charge for the year	<u>2,858</u>	<u>1,819</u>	<u>168</u>	<u>1,508</u>	<u>6,353</u>
At 31 March 2024	<u>19,994</u>	<u>23,896</u>	<u>11,488</u>	<u>19,516</u>	<u>74,894</u>
Net book value					
At 31 March 2024	<u>162,920</u>	<u>7,522</u>	<u>506</u>	<u>8,551</u>	<u>179,499</u>
At 31 March 2023	<u>165,778</u>	<u>8,842</u>	<u>674</u>	<u>8,757</u>	<u>184,051</u>

Included within the net book value of land and buildings above is £117,508 (2023 - £119,570) in respect of leasehold land and buildings and £45,412 (2023 - £46,209) in respect of improvements to property.

13 Debtors

	2024 £	2023 £
Trade debtors	-	274
Prepayments	<u>3,710</u>	<u>3,313</u>
	<u>3,710</u>	<u>3,587</u>

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Notes to the Financial Statements for the Year Ended 31 March 2024

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	178,991	508	179,499
Current assets	80,485	-	80,485
Current liabilities	(22,063)	-	(22,063)
Total net assets	<u>237,413</u>	<u>508</u>	<u>237,921</u>

18 Related party transactions

During the year the charity made the following related party transactions:

P A Palmer

(Father of Mica Foort)

£3,940 was paid to Mr Palmer for the erection of some fencing at the Princess Avenue site. 3 quotes were obtained for the work and M Foort abstained from any involvement in the decision. (2023 - £500 was paid to Mr Palmer for fencing work at Burley Road). At the balance sheet date the amount due to/from P A Palmer was £Nil (2023 - £Nil).