


5/1/2090

Absolute Return for Kids (ARK) Education

Report and Accounts

30 September 2004

 ERNST & YOUNG



Absolute Return for Kids (ARK) Education

Registered No: 5112090

Directors

Paul Dunning
Paul Marshall
Ron Beller
Paul Bernstein
Gordon Viggers

Managing Director

Lucy Heller

Bankers

HSBC Private Bank (UK) Limited
78 James's Street
London
SW1A 1JB

Solicitors

Lewis Silkin
12 Gough Square
London
EC4A 3DW

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered office

27 Queen Anne's Gate
London
SW1H 9BU

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Directors' report

The directors present their report and the audited accounts for the period 26 April to 30 September 2004.

Objectives and principal activities

The company was established by its parent charity Absolute Return for Kids (ARK) to implement its project to provide new and improved schools under the Governments City Academies Scheme

Financial review and results

During this initial period of operations from the inception of the company preparatory work has been undertaken primarily in the area of identifying potential sites for new schools and building relationships with the DfES and Local Education Authority partners.

The company receives its income entirely by way of grant from its parent charity which has made agreements with a number of major donors with intention of providing a number of City Academies. However, in accordance with Statement of Recommended Practice (SORP 2000) issued by the Charity Commission, only the initial operating grant of £154,000 is recognised as income in these accounts. In addition to this a further £4.5m has been identified as allocated to this project and this will be recognised in a subsequent accounting period when plans are further developed and the entitlement to the funding to meet planned expenditure has become more certain.

Directors and their interests

The following individuals served as directors during the period:

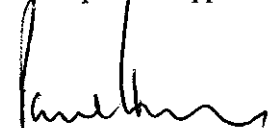
Paul Dunning (appointed 9 September 2004)
Paul Marshall (appointed 9 September 2004)
Ron Beller (appointed 9 September 2004)
Paul Bernstein (appointed 9 September 2004)
Gordon Viggers (appointed 26 April 2004)
Teresa Albor (appointed 26 April 2004, resigned 31 July 2004)

None of the Directors had any beneficial interest in the company and no remuneration is paid to the directors or permitted under the companies Articles of Association.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the forthcoming Annual General Meeting.

This report was approved by the trustees on 7th December 2004



Paul Dunning
Chairman

Statement of directors' responsibilities in respect of the accounts

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Absolute Return for Kids (ARK) Education

We have audited the company's accounts for the period ended 30 September 2004 which comprise the Statement of financial activities, Balance sheet and the related notes 1 to 8. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 September 2004 and of its net incoming resources for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP

Registered Auditor

London

7 December 2004

Statement of financial activities

for the period ended 30 September 2004

	Notes	Period ended 30 September 2004 £
Incoming resources		
Grant receivable	2	154,000
Total incoming resources		<u>154,000</u>
Resources expended		
Charitable expenditure		
Costs of activities in furtherance of the charity's objectives		
Support Costs		29,126
Management and administration		2,409
Total resources expended		<u>31,535</u>
Net incoming resources		<u>122,465</u>
Funds at 30 September 2004		<u><u>122,465</u></u>

The company's activities are classified as continuing.

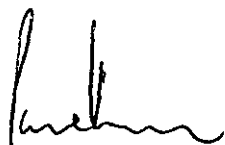
The company has no recognised gains or losses other than those included in the net incoming resources above and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet

at 30 September 2004

	Notes	£
Fixed assets		
Tangible fixed assets		—
Current assets		
Debtors	4	122,465
		<u>122,465</u>
Creditors: amounts falling due within one year		—
Net current assets		<u>122,465</u>
Total assets less current liabilities		<u>122,465</u>
Creditors: amounts falling due after one year		—
Net assets		<u><u>122,465</u></u>
Funds		
Restricted funds		122,465
Total funds	5	<u><u>122,465</u></u>

Approved by the Board of Directors and signed on its behalf by



Director

Date: 7 December 2004

Notes to the accounts

at 30 September 2004

1. Accounting policies

Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards, under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities.

Cash flow statement

The accounts do not include a statement of cash flows because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS1 (Revised) Statement of Cash Flows.

Incoming resources

All income is accounted for on an accruals basis.

Fund accounting

Restricted funds are those which are to be used for the specified purpose as laid down by the donor.

Unrestricted funds are donations and other income received or generated for the furtherance of the objects of the charity without specified purposes and therefore are available as general funds.

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

Resources expended

Direct charitable expenditure comprises expenditure related to the direct furtherance of the charity's objectives. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Management and administration costs are those incurred in connection with the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

2. Grants receivable

	£
Grant from parent charity	154,000
	<u>154,000</u>

Notes to the accounts

at 30 September 2004

3. Total resources expended

Resources expended represent the following direct and apportioned costs

	<i>Support Costs</i> £	<i>Management and Administration</i> £	<i>Total</i> £
Staff Costs	20,919	2,409	23,328
Travel and Subsistence	8,207	—	8,207
	<u>29,126</u>	<u>2,409</u>	<u>31,535</u>

The auditors, Ernst & Young LLP, are providing the audit of Absolute Return for Kids (ARK) Education pro bono.

4. Debtors

	£
Receivable within 1 year	
Grant from Absolute Return for Kids (ARK)	122,465

5. Total funds

	<i>Incoming</i> £	<i>Outgoing</i> £	<i>At 30 September 2004</i> £
Restricted Funds	154,000	31,535	122,465
Total Funds	<u>154,000</u>	<u>31,535</u>	<u>122,465</u>

6. Directors' remuneration and expenses

The directors received no remuneration from the charity.

7. Related party transactions

During the period the company received £154,000 in donations from Absolute Return for Kids (ARK), its parent company. At period end the balance receivable from Absolute Return for Kids (ARK) was £122,465.

8. Ultimate parent undertaking

The company's immediate parent undertaking is Absolute Return for Kids (ARK), a company limited by guarantee; registered in England No. 4589451; registered charity No. 1095322. ARK has included the company within its group accounts, copies of which are available at its registered office; 27 Queen Anne's Gate, London, SW1H 9BU.