

REGISTRAR OF COMPANIES

ARK UK Programmes

Directors' Annual Report and Financial Statements

31 August 2013

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

Charity registration number 1137932

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ARK UK Programmes

Contents

Reports

| | |
|--------------------------------------|---|
| Reference and administrative details | 1 |
| Directors' report | 2 |
| Independent auditor's report | 7 |

Accounts

| | |
|-----------------------------------|----|
| Statement of financial activities | 9 |
| Income and expenditure account | 10 |
| Balance sheet | 11 |
| Cash flow statement | 12 |
| Notes to the financial statements | 13 |

ARK UK Programmes

Reference and administrative details

| | |
|------------------------------------|--|
| Directors | Ron Beller Paul Dunning Stanley Fink Lucy Heller Paul Marshall Anthony Williams |
| Managing Director | Lucy Heller |
| Registered office | 65 Kingsway London WC2B 6TD |
| Company registration number | 05932797 |
| Charity registration number | 1137932 |
| Auditor | Buzzacott LLP 130 Wood Street London EC2V 6DL |
| Bankers | Lloyds 95 George Street Croydon CR9 2NS |
| Solicitor | Lewis Silkin 12 Gough Square London EC4A 3DW |
| Investment manager | JP Morgan International Bank 25 Bank Street Canary Wharf London E14 5JP |

ARK UK Programmes

Directors' report Year ended 31 August 2013

The directors are pleased to present their report together with the audited financial statements for the year ended 31 August 2013

The financial statements have been prepared in accordance with the accounting policies set out on page 13 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005

Objectives and principal activities

ARK UK Programmes is a company limited by guarantee (Company No 05932797) and a UK registered charity (Charity No 1137932) ARK UK Programmes administers ARK's work in education in support of the Academies Programme, which focuses on transformational change to inner city schools in the UK

Organisation

ARK UK Programmes is a fully owned subsidiary of Absolute Return for Kids (ARK) (charity registration number 109532, company registration number 04589451), a charity established to improve the life chances of children, which runs projects around the world

The board of directors, which can have up to ten members, administers the company

On 1 September 2012, the Teaching Leaders programme was transferred out of ARK UK Programmes, becoming a separate legal entity, Teaching Leaders (company registration number 07984030, charity registration number 1146924) The relevant fund balance of £1 069m, representing the accumulated reserves of the programme, is shown as a transfer out in this year's balance sheet (see note 5)

Directors

The directors are also trustees of ARK UK Programmes for the purposes of charity law

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

Ron Beller
Paul Dunning
Stanley Fink
Lucy Heller
Paul Marshall
Anthony Williams

All directors served for the full year None had any beneficial interest in the organisation or received any remuneration during the period, other than Lucy Heller who received remuneration in her role as Managing Director of ARK UK Programmes (see note 14)

ARK UK Programmes

Directors' report Year ended 31 August 2013

Directors (continued)

On agreeing to become a director of the charitable company, the directors are briefed by their co-directors on the history of the charitable company, day-to-day management, the responsibilities of directors, current objectives and future plans. The directors are also encouraged to attend any courses relevant to their role, and to keep up to date with changes in legislation.

Risk management

The directors have reviewed and assessed the major risks to which the charity is exposed. The directors believe they have established effective systems and procedures to mitigate those risks.

Achievements, performance and future plans

ARK UK Programmes acts as a 'seed-bed' for creating and testing new ARK programmes. Two strands of programmes were delivered in 2012/13:

- 1 Network Programmes (enrichment, music and university/careers success) – which raise funds and deliver programmes across the ARK Schools network
- 2 Early stage programmes (Mathematics Mastery, Frontline and Expanding Horizons) – which are progressing well on their path towards independence and have raised significant external funds during the year

The enrichment and university and careers success programmes continued to raise aspirations and build the skills of ARK Schools pupils by providing an enhanced curriculum and a wide range of activities including university trips and visits, corporate mentoring programmes, speakers in schools, debating clubs and the Shakespeare Schools Festival. Both programmes are moving from grant giving and delivering events to building capacity in schools and securing external opportunities for ARK Schools. For example, there were five corporate mentoring partnerships in operation during the year compared with two in 2011/12.

The music programme also continued to work to ensure that all pupils in ARK schools participate in a quality music programme that develops confidence, creativity, community and excellence and equips them with wider life experience that can make the difference when applying to university or for a job. Once again, a year end performance was held at the Barbican in London in 2013.

This brought together over 500 student musicians from across the ARK Schools network for a public performance that was very well received.

ARK UK Programmes

Directors' report Year ended 31 August 2013

Achievements, performance and future plans (continued)

The ARK Plus 2 programme continued to support schools to develop and deliver a comprehensive whole school approach to behaviour intervention and administer the £510k Greater London Authority grant.

ARK UK Programmes also supported research and development and innovation across the ARK network with launch of innovation prizes

The Frontline programme was developed this year with the aim of creating a standalone social enterprise to transform the life chances of vulnerable children by recruiting and developing outstanding individuals to be leaders in social work and broader society. ARK provided the risk capital needed to complete the business plan and secure grant funding from the DfE to support the initial pilot. The programme has benefited from significant media coverage and launched in September 2013.

The Mathematics Mastery programme which was launched in 2011/12, delivered its programme in 30 non-ARK schools and secured two new grants totalling £800k to support its future growth. This funding has been sufficient to take the programme to a point where the initial curriculum, training and website have been developed. The majority of ongoing development and delivery costs will be covered by the fees paid by participating schools. There will be over 100 schools in the Mathematics Mastery network in 2013/14.

The Expanding Horizons programme, which supports schools to take pupils on outward bound trips to give them new skills and experiences, delivered programmes in 19 schools for 830 pupils during the year.

2013/14 will see the continuation and growth of these programmes plus the development of plans for new programmes such as Click Click Reporting (CCR). The CCR team is making plans to develop the existing ARK Schools assessment model and linked reporting tools to be offered to schools outside the network. As well as strengthening assessment and data analytics practices within schools across the country, this has the added benefit of ensuring that ARK's reporting tools are managed professionally, with a long-term development and support plan.

Financial review

Total ARK UK Programmes income during the year was £3 355m (2011/12 £5 603m), which included programme income of £2 509m (2011/12 £4 865m). Of this programme income, 18% went to Frontline, 23% to Mathematics Mastery, 13% went to the music programme, 10% to Expanding Horizons, 8% to the GLA programme, 7% to the University and Careers Success Programme and 21% to other programmes. The net movement in funds for the year was a surplus of £385k (2011/12 - £615k).

ARK UK Programmes

Directors' report Year ended 31 August 2013

Financial review (continued)

This included a gain of £640k on the endowments held as investments for the schools but before a transfer of £1 069m out of the Teaching Leaders restricted fund into a separate legal entity (see note 5)

The charity had net assets at 31 August 2013 of £6 477m, comprising £5 341m of ARK Schools endowment funds, £1 105m of other restricted funds and £31k of unrestricted funds. The free reserves of the charity (comprising of unrestricted funds) at 31 August 2013 were £31k. Given the programme related nature of the charity's activities, which are mainly funded via restricted funds, the directors consider the level of free reserves to be satisfactory.

Investment Policy

ARK UK Programmes had a portfolio of investments with a market value as at 31 August 2013 of £6 2m.

There are no restrictions on the charity's power to invest. The investment strategy is set by the directors and takes into account 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 directors and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five year period.

The directors meet the investment managers every six months to review the performance of the portfolio and the investment strategy.

The directors are satisfied that their investment policy is being achieved.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, for that period.

ARK UK Programmes

Directors' report Year ended 31 August 2013

Statement of directors' responsibilities (continued)

In preparing these financial statements, the directors are required to

- ◆ select suitable accounting policies and then apply them consistently,
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP),
- ◆ 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 company will continue in operation

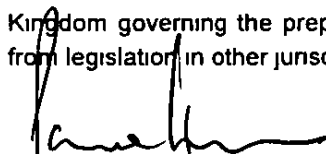
The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets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

Each of the directors confirms that

- ◆ so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- ◆ the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

The directors 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.



Paul Dunning
Director

Approved by the directors on

December 12 2013

ARK UK Programmes

Independent auditor's report Year ended 31 August 2013

Independent auditor's report to the members of ARK UK Programmes

We have audited the financial statements of ARK UK Programmes for the year ended 31 August 2013 which comprise the statement of financial activities, the income and expenditure account, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are also the trustees of the charitable company for the purposes of charity law. As explained more fully in the statement of directors' responsibilities set out in the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

ARK UK Programmes

Independent auditor's report Year ended 31 August 2013

Opinion on financial statements

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 2013 and of its incoming resources and application of resources, including 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

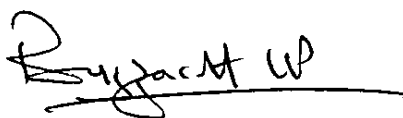
Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- ♦ adequate accounting records have not been kept, or
- ♦ the financial statements are not in agreement with the accounting records, or
- ♦ certain disclosures of directors' remuneration specified by law are not made, or
- ♦ we have not received all the information and explanations we require for our audit



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

16 December 2013

ARK UK Programmes

Statement of financial activities Year to 31 August 2013

| | Notes | Unrestricted £000 | Restricted £000 | Endowments £000 | Year ended 31 August 2013 Total £000 | Year ended 31 August 2012 Total £000 |
|--|-------|----------------------|--------------------|--------------------|--|--|
| Incoming resources | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Voluntary income | | | | | | |
| Grants and donations | 2a | 284 | 2,225 | — | 2,509 | 4,865 |
| Gifts in kind | 2b | — | 822 | — | 822 | — |
| Investment income | 3 | — | 24 | — | 24 | 36 |
| Income from activities | | | | | | |
| Programme fees | | — | — | — | — | 627 |
| Other income | | — | — | — | — | 75 |
| Total incoming resources | | 284 | 3,071 | — | 3,355 | 5,603 |
| Resources expended | | | | | | |
| Cost of generating funds | | | | | | |
| Investment management fees | | — | — | 36 | 36 | — |
| Charitable activities | | | | | | |
| Support to programmes | 4 | 248 | 3,056 | — | 3,304 | 5,059 |
| Grants from endowments | | — | — | 265 | 265 | 100 |
| Governance costs | 4 | 5 | — | — | 5 | 12 |
| Total resources expended | | 253 | 3,056 | 301 | 3,610 | 5,171 |
| Net (outgoing)/incoming resources | | 31 | 15 | (301) | (255) | 432 |
| Other recognised gains and losses | | | | | | |
| Gains on investments | 7 | — | — | 640 | 640 | 183 |
| Net movement in funds | 6 | 31 | 15 | 339 | 385 | 615 |
| Reconciliation of funds | | | | | | |
| Funds at 1 September 2012 | 5 | — | 2,159 | 5,002 | 7,161 | 6,546 |
| Funds transferred to Teaching Leaders | 5 | — | (1,069) | — | (1,069) | — |
| Funds at 31 August 2013 | 5 | 31 | 1,105 | 5,341 | 6,477 | 7,161 |

All of the charity's activities derived from continuing operation during the above financial periods

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

ARK UK Programmes

Income and expenditure account 31 August 2013

| | Notes | 2013 £000 | 2012 £000 |
|---------------------------------|-----------|--------------|--------------|
| Total income of operations | 2a, 2b, 3 | 3,355 | 5,603 |
| Total expenditure of operations | 4 | (3,309) | (5,071) |
| Net income for the year | | 46 | 532 |

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

The summary income and expenditure account is derived from the statement of financial activities on page 9 which, together with the notes to the financial statements on pages 13 to 20, provides full information on the movements during the year on all the funds of the charity.

Total income of £3,355k comprises of £284k in relation to unrestricted funds, and £3,071k 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.

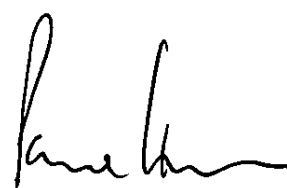
Net income for the year of £46k comprises £31k net income in relation to unrestricted funds and £15k net income in relation to restricted funds, as shown in the statement of financial activities.

ARK UK Programmes

Balance Sheet as at 31 August 2013

| | Notes | 2013 £000 | 2012 £000 |
|---|-------|----------------|----------------|
| Fixed assets | | | |
| Investment assets | 7 | 6,201 | 5,837 |
| Current assets | | | |
| Debtors | 9 | 260 | 3,847 |
| Short term deposits | | 500 | — |
| Cash at bank and in hand | | 676 | 1,620 |
| | | 1,436 | 5,467 |
| Creditors amounts due within one year | 10 | (1,160) | (2,363) |
| Net current assets | | 276 | 3,104 |
| Total assets less current liabilities | | 6,477 | 8,941 |
| Creditors amounts due after more than one year | 11 | — | (1,780) |
| Net assets | | 6,477 | 7,161 |
| Funds | | | |
| Unrestricted general funds | | 31 | — |
| Restricted funds | | 1,105 | 2,159 |
| Endowment funds | | 5,341 | 5,002 |
| Total funds | 5 | 6,477 | 7,161 |

Approved by the Board of Directors on [December 12] and signed on its behalf by
2013

 (PAUL DUNNING)
Director

ARK UK Programmes

Cash flow statement Year to 31 August 2013

| | Notes | 2013 £000 | 2012 £000 |
|--|-------|--------------|--------------|
| Net cash inflow from operating activities | 13a | 72 | 366 |
| Returns on investments and servicing of finance | 13b | 24 | 36 |
| Capital expenditure and financial investment | 13c | 253 | 100 |
| Transfer of funds to Teaching Leaders | | (816) | — |
| (Decrease) increase in cash | 13d | (467) | 502 |

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified to include investments at market value, and in accordance with the requirements of the Companies Act 2006 Applicable United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in the preparation of these financial statements

Incoming resources

Incoming resources are recognised in the year in which the company is entitled to receipt and the amount can be measured with reasonable certainty Income is deferred only when the company has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period

Gifts in kind income relates to free of charge services provided to ARK UK Programmes and is based on gross value to the charity

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered

Resources expended comprise the following

- a The costs of charitable activities include the direct costs of undertaking ARK UK Programmes' charitable activities together with an allocation of support costs The basis for the allocation of support costs to charitable activities is set out in note 4 to the financial statements
- b Governance costs represent the costs incurred by ARK UK Programmes in complying with constitutional statutory, accounting and regulatory requirements

Tangible fixed assets

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised Depreciation is calculated so as to write off the costs of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned The principal annual rates for this purpose are

| | |
|--------------|-----------------------------|
| IT equipment | 50% per annum based on cost |
|--------------|-----------------------------|

ARK UK Programmes

Notes to the financial statements Year to 31 August 2013

1 Accounting policies (continued)

Fixed assets investments

Fixed asset investments are included in the financial statements at their market value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (debited) to the statement of financial activities in the year in which they arise.

Fund accounting

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to the conditions imposed by the donors.

The general fund represents those monies which are freely available for application towards achieving any purpose that falls within the ARK UK Programmes charitable objects.

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.

2a Grants and donations

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

| | Unrestricted £000 | Restricted £000 | Endowments £000 | Total 2012-13 £000 | Total 2011-12 £000 |
|--|----------------------|--------------------|--------------------|--------------------------|--------------------------|
| Core costs | 284 | 67 | — | 351 | 475 |
| Extended Schools programme | — | 153 | — | 153 | 596 |
| Teaching Leaders programme | — | — | — | — | 2,725 |
| Music programme | — | 330 | — | 330 | 324 |
| Mathematics Mastery programme | — | 578 | — | 578 | 159 |
| Ark Plus programme | — | — | — | — | 55 |
| Expanding Horizons programme | — | 256 | — | 256 | 302 |
| Southwark programme | — | — | — | — | 100 |
| Frontline programme | — | 459 | — | 459 | — |
| ARK Plus 2 GLA programme | — | 202 | — | 202 | — |
| University and Careers Success programme | — | 180 | — | 180 | 129 |
| | 284 | 2,225 | — | 2,509 | 4,865 |

ARK UK Programmes

Notes to the financial statements Year to 31 August 2013

2b Gifts in kind

During the year the organisation received the following gifts in kind

| | Unrestricted £000 | Restricted £000 | Endowments £000 | Total 2012-13 £000 | Total 2011-12 £000 |
|------------------------|----------------------|--------------------|--------------------|--------------------------|--------------------------|
| Frontline advertising | — | 172 | — | 172 | — |
| Frontline legal advice | — | 38 | — | 38 | — |
| Frontline consulting | — | 612 | — | 612 | — |
| | — | 822 | — | 822 | — |

3 Investment income

| | Unrestricted £000 | Restricted £000 | Endowments £000 | Total 2012-13 £000 | Total 2011-12 £000 |
|--------------------------------|----------------------|--------------------|--------------------|--------------------------|--------------------------|
| Income from listed investments | — | 24 | — | 24 | 36 |

In 2009-10 ARK UK Programmes was given responsibility for the administration of the endowments held on behalf of individual ARK sponsored academies. These funds are invested with JP Morgan and the relationship is set out in a Deed of Gift between ARK Schools and ARK UK Programmes.

In 2012-13 £150k of endowment was withdrawn and transferred to St Alban's Academy and £115k for Charter Academy for improvements approved by the trustees. At the year end the valuation showed a net investment gain of £640k.

4 Analysis of charitable expenditure

| | Activities undertaken directly £000 | Gifts in kind (see note 2b) £000 | Grant funding of activities £000 | Support costs £ | Total 2012-13 £000 | Total 2011-12 £000 |
|--|--|--|---|-----------------------|--------------------------|--------------------------|
| Charitable expenditure | | | | | | |
| Extended Schools programme | 126 | — | — | 14 | 140 | 584 |
| Teaching Leaders programme | — | — | — | — | — | 3,574 |
| Music programme | 397 | — | — | 44 | 441 | 338 |
| Mathematics Mastery programme | — | — | 420 | 47 | 467 | 103 |
| Libraries programme | 270 | — | — | 30 | 300 | 109 |
| University and Careers Success Programme | 59 | — | 65 | 14 | 138 | — |
| Ark Plus programme | 118 | — | — | 13 | 131 | 53 |
| Expanding Horizons programme | 87 | — | — | 10 | 97 | 188 |
| Southwark programme | — | — | — | — | — | 110 |
| Frontline programme | 380 | 822 | — | 42 | 1,244 | — |
| ARK Plus 2 GLA programme | 164 | — | — | 18 | 182 | — |
| Every Child Counts programme | 148 | — | — | 16 | 164 | — |
| | 1,749 | 822 | 485 | 248 | 3,304 | 5,059 |
| Governance costs | — | — | — | 5 | 5 | 12 |
| | 1,749 | 822 | 485 | 253 | 3,309 | 5,071 |

ARK UK Programmes

Notes to the financial statements Year to 31 August 2013

4 Analysis of charitable expenditure (continued)

Expenditure on support costs was funded from core grant

The directors ensure that these costs are covered by unrestricted funding raised for this purpose. The allocation of core costs as support costs to activities above provides a more accurate picture of the full costs of these activities. It does not represent a use of programme funds.

5 Analysis of net movement in funds

| | At 1 September 2012 £000 | Incoming resources £000 | Outgoing resources £000 | Gains/ (losses) and transfers £000 | At 31 August 2013 £000 |
|---|-----------------------------------|-------------------------------|-------------------------------|---|---------------------------------|
| Restricted funds | | | | | |
| Enrichment programme | 257 | 153 | (126) | — | 284 |
| Core | — | 67 | — | — | 67 |
| Teaching Leaders Programme ** | 1,069 | — | — | (1,069) | — |
| Read Write/Every Child Counts | 148 | — | (148) | — | — |
| Music programme | 81 | 330 | (397) | — | 14 |
| Mathematics mastery programme | 66 | 578 | (420) | — | 224 |
| Libraries programme | 270 | — | (270) | — | — |
| University and Careers Success programme | — | 180 | (124) | — | 56 |
| Ark Plus programme | 7 | — | (118) | — | (111) |
| Expanding Horizons programme | 159 | 256 | (87) | — | 328 |
| Southwark programme | 17 | — | — | — | 17 |
| Frontline | — | 1,281 | (1,202) | — | 79 |
| ARK Plus 2 GLA | — | 202 | (164) | — | 38 |
| ARK Schools endowment interest | 85 | 24 | — | — | 109 |
| | 2,159 | 3,071 | (3,056) | (1,069) | 1,105 |
| Endowment funds | 5,002 | — | (301) | 640 | 5,341 |
| Unrestricted funds | | | | | |
| General | — | 284 | (253) | — | 31 |
| Total funds | 7,161 | 3,355 | (3,610) | (429) | 6,477 |

** On 1 September 2012, £1,069k was transferred out of ARK UK Programmes in respect of Teaching Leaders into a separate legal entity, Teaching Leaders (company number 07984030, charity number 1146924)

6 Net movement in funds

This is stated after charging

| | 2013 £000 | 2012 £000 |
|----------------------|--------------|--------------|
| Statutory audit fees | 5 | 12 |

ARK UK Programmes

Notes to the financial statements Year to 31 August 2013

7 Investment assets

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Listed investments | | |
| Market value at 1 September 2012 | 5,752 | 5,669 |
| Net disposal proceeds | (253) | (100) |
| Net investment gains | 640 | 183 |
| Market value at 31 August 2013 | 6,139 | 5,752 |
| Cash held by investment managers for reinvestment | 62 | 85 |
| | 6,201 | 5,837 |
| Cost of listed investments at 31 August | 5,402 | 5,667 |

All listed investments were traded on a recognised stock exchange

Listed investments held at 31 August 2013 comprised the following

| | 2013 £000 | 2012 £000 |
|--------------------------------------|--------------|--------------|
| UK equities | 140 | 289 |
| Overseas equities | 3,018 | 2,294 |
| Fixed interest | 538 | 648 |
| Foreign exchange contracts | 29 | 67 |
| Alternative assets | 2,004 | 2,454 |
| Options, Swaps and Structures assets | 346 | — |
| Miscellaneous | 64 | — |
| | 6,139 | 5,752 |

All investments are held in a diversified fund 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 2013

8 Staff costs and numbers

| | 2013 £000 | 2012 £000 |
|-----------------------|--------------|--------------|
| Salaries and wages | 895 | 1,656 |
| Social security costs | 87 | 163 |
| Pension costs | 52 | 56 |
| | 1,034 | 1,875 |
| Consultancy costs | 180 | 684 |
| | 1,214 | 2,559 |

The average number of staff employed during the period was

| | 2013 | 2012 |
|-----------------------|------|------|
| Charitable activities | 19 | 40 |

ARK UK Programmes

Notes to the financial statements Year to 31 August 2013**8 Staff costs and numbers (continued)**

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

| | 2013 £000 | 2012 £000 |
|---------------------|--------------|--------------|
| £60,001 - £70,000 | 3 | 1 |
| £70,001 - £80,000 | 2 | 2 |
| £80,001 - £90,000 | — | 2 |
| £100,001 - £110,000 | 1 | — |
| | <u>6</u> | <u>5</u> |

The pension contributions made on behalf of the above employees was £11,220 (2012 £15,583)

9 Debtors

| | 2013 £000 | 2012 £000 |
|-------------------------------|--------------|--------------|
| Trade debtors | 110 | 308 |
| Prepayments and other debtors | 24 | — |
| Accrued income | 126 | 3,539 |
| | <u>260</u> | <u>3,847</u> |

10 Creditors. Amounts falling due within one year

| | 2013 £000 | 2012 £000 |
|------------------------------|--------------|--------------|
| Accruals | 68 | 28 |
| Trade creditors | 31 | 267 |
| Deferred income | 180 | 1,638 |
| Amounts due to ARK Schools | 866 | 430 |
| Taxation and social security | 15 | — |
| | <u>1,160</u> | <u>2,363</u> |

11 Creditors. Amounts falling due after more than one year

| | 2013 £000 | 2012 £000 |
|-----------------|--------------|--------------|
| Deferred income | — | 1,780 |

ARK UK Programmes

Notes to the financial statements Year to 31 August 2013

12 Analysis of net assets between funds

| | Unrestricted General fund £000 | Restricted funds £ | Endowment funds £ | Total £000 |
|--|---|--------------------------|-------------------------|----------------|
| Fund balances at 31 August 2013 are represented by: | | | | |
| Investment assets | — | 860 | 5,341 | 6,201 |
| Current assets | 31 | 1,405 | — | 1,436 |
| Creditors amounts falling due within one year | — | (1,160) | — | (1,160) |
| Total net assets | 31 | 1,105 | 5,341 | 6,477 |

13 Notes to the cash flow statement

a) Reconciliation of net (outgoing) incoming resources to net cash inflow from operating activities.

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Net (outgoing)/incoming resources | (255) | 432 |
| Interest received | (24) | (36) |
| Decrease in debtors | 3,587 | 1,472 |
| Less debtors transferred to Teaching Leaders | (1,832) | — |
| (Decrease) in creditors | (2,983) | (1,502) |
| Less creditors transferred to Teaching Leaders | 1,579 | — |
| Net cash inflow from operating activities | 72 | 366 |

b) Returns on investment and servicing of finance

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Other interest received | 24 | 36 |
| Net cash inflow from returns of investment and servicing of finance | 24 | 36 |

c) Capital expenditure and financial investment

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| Endowment withdrawals | 253 | 100 |
| Net cash outflow from capital expenditure and financial investment | 253 | 100 |

d) Reconciliation of cash flow to movement in net funds

| | At 1 September 2012 £000 | Cash flows £000 | At 31 August 2013 £000 |
|----------------------------------|-----------------------------------|--------------------|---------------------------------|
| Cash at bank | 1,620 | (944) | 676 |
| Short term deposits | — | 500 | 500 |
| Cash held by investment managers | 85 | (23) | 62 |
| | 1,705 | (467) | 1,238 |

ARK UK Programmes

Notes to the financial statements Year to 31 August 2013

14 Directors' remuneration and expenses

The Managing Director became a director of the company on 1 September 2010. For the year ended 31 August 2013, her remuneration (including performance related bonus) in relation to her role in ARK UK Programmes was £8,484 (2012 - £23,850) and employer's pension contribution was £1,048 (2012 - £2,624). No expenses were reimbursed through ARK UK Programmes. No other directors of the company received any payment or other emoluments from the company in the period.

15 Related party transactions

During the year the organisation received the following grants from its parent company, ARK (see note 16):

£282,000 to cover the core costs of the charity plus designated programmes

£80,000 to cover the costs of the Extended Schools programme

£245,921 to cover the costs of the Music programme

£133,000 to cover the cost of the Frontline programme

£230,000 to cover the costs of the Expanding Horizons programme

£151,000 to cover the costs of the University Success programme

£202,000 to cover the costs of the ARK Plus Programme

The organisation also made the following grants to ARK Schools:

£148,000 in respect of Oral Language programmes

ARK UK Programmes staff are paid through the ARK Schools payroll and the relevant costs are recharged to ARK UK Programmes.

16 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: 65 Kingsway, London, WC2B 6TD.

17 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.