

# REGISTRAR OF COMPANIES

## Ark UK Programmes

### Annual Report and Financial Statements

31 August 2016

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

Charity registration number 1137932

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## Ark UK Programmes

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### Reference and administrative details

<b>Directors and trustees</b>	Paul Dunning Stanley Fink Lucy Heller
<b>Chief Executive</b>	Lucy Heller
<b>Registered office</b>	65 Kingsway London WC2B 6TD
<b>Company registration number</b>	05932797
<b>Charity registration number</b>	1137932
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank plc 95 George Street Croydon CR9 2NS
<b>Solicitor</b>	Stone King LLP 16 St John's Lane London EC1M 4BS
<b>Investment manager</b>	JP Morgan International Bank 25 Bank Street Canary Wharf London E14 5JP

## **Ark UK Programmes**

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### **Trustees' report** Year ended 31 August 2016

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 2016.

The financial statements have been prepared in accordance with the accounting policies set out on pages 17 to 22 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), effective from accounting periods commencing 1 January 2015 or later.

#### **Objectives and principal activities**

Ark UK Programmes has the principal objective of advancing the education of the public. It acts as a 'seed-bed' for creating and testing new Ark programmes that support Ark's work in education in the UK. In 2015-16, two Ark programmes were incubated: Mathematics Mastery and Assembly. The contributions made by these programmes to achieve the objectives of Ark UK Programmes is described on 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) (charity registration number 109532, company registration number 04589451), a charity established to improve the life chances of children, which runs projects around the world. Two of the directors of Ark UK Programmes are also directors of Ark. The Chief Executive of Ark UK Programmes is also the Chief Executive of Ark.

In furtherance of its objects, Ark UK Programmes works closely with Ark Schools, a network of 35 schools. Three of the directors of Ark UK Programmes 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.

#### **Directors**

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

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

Paul Dunning  
Stanley Fink  
Lucy Heller

Nicholas Jenkins resigned as director on 14 November 2016.

**Directors (continued)**

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 from Ark in her role as Chief Executive of Ark UK Programmes (see note 8).

New directors may be appointed either by the board or by means of an ordinary resolution of the charity. 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.

**Key management personnel**

The directors consider the board of directors, who are the charity's trustees, and the senior management team 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.

Ark UK Programmes' key management salaries are set on appointment and reviewed annually in accordance with pay review procedures operated by the parent organisation, Ark. The Chief Executive or 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 Ark's Advisor to the Board who has delegated authority from the Ark Board. 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 programme's risks and mitigations and steering groups or shadow boards have been set up for the individual programmes. In addition, the Ark Financial Stewardship Committee formally reviews the Risk Register.

The key risks identified to date are as follows:

- Over-reliance on individual funders
- Failure of spin-out programmes to achieve financial sustainability
- Recruitment of required numbers of participants and schools to the various programmes
- Loss of key staff
- Devaluation of the investments

#### **Achievements and performance**

On 1 September 2015 the activities making up the Frontline programme transferred to The Frontline Organisation, an independent charity and company, along with all reserves relating to the programme. This was in line with Ark UK Programmes' plan for successful programmes to either embed within Ark Schools or move to independence. The transition enabled Ark UK Programmes to focus on the remaining 'spin-out' programmes in 2015/16 and to explore opportunities to support new programmes in the coming years.

We are pleased to report that the remaining programmes, Mathematics Mastery and Assembly, had a successful year, hitting the majority of their operating plan targets, growing in size and scale and attracting external funding. The achievements and performance of both is described below.

#### *Mathematics Mastery*

The Mathematics Mastery mission is to transform mathematics education in the UK. The programme works in partnership to empower and equip schools to deliver world-class mathematics teaching. The programme provides professional development for teachers, aiming to improve pupils' understanding, enjoyment and attainment in mathematics. Its approach is based on research and internationally recognised practice, particularly drawing on evidence from Singapore and Shanghai.

Its key objectives for the year were to grow the number of schools in the partnership and make its programme more accessible by expanding regionally and improving its digital presence.

Key achievements for the year include:

- **Reach:** Mathematics Mastery experienced its most successful recruitment year to date, with 125 new schools confirmed to begin the programme in September 2016. As a whole, the partnership now stands at 365 schools in 2016/17. This is an increase of nearly 40% (up from 265 schools the previous academic year). The programme is now running from Reception to Year 5 at primary, and Year 7 to Year 10 at secondary, with the Year 11 pilot in motion.

- **Innovation and product development:**

**Gradebook:** Mathematics Mastery has continued to refine and evolve its programme materials, in particular developing its online presence. It has successfully launched the Gradebook, a bespoke online assessment tracker. Teachers can now quickly and securely input data and generate reports which support assessment and provide insight on pupil progress among different demographic groups. Next year Mathematics Mastery is rolling this platform out across Year 7 and Year 8, as well as refining the analysis tools based on feedback. It will also develop the functionality to enable analysis of pupil progress across the partnership.

### Achievements and performance (continued)

**Workbooks:** Mathematics Mastery piloted its workbooks in Year 7 and Year 10, and developed further content to launch in Years 5, 7, 8, 10, 11. Workbooks are a flexible, textbook-style resource which help build mathematical understanding and problem solving skills. They can be written in, used in class and for homework. Pilot feedback has been extremely positive, with 92% of teachers agreeing they are useful. Over 70,000 workbooks will be printed and delivered to 99 schools next year.

**Website:** Mathematics Mastery redeveloped and launch its brand new website. Over the last year, nearly 140,000 unique visitors have come to the website and its blogs have been viewed nearly 60,000 times. Since launching the new website in June 2016, there have been 35,000 visits to the site.

- **Impact:** In 2016/17, the programme will be impacting over 95,000 pupils, over 12,500 of which are based in the north of England. This is a 60% increase in pupil reach from 2015/16 overall and a 200% increase in pupil reach in the north of England. Feedback from headteachers and Mathematics Mastery School Leads within our partner schools continues to be positive with 96% agreeing its programme has helped improve the quality of teaching, 95% agreeing the approach has helped increase pupil enjoyment of maths, and 91% agreeing the approach has helped raise pupil attainment in maths.
- **Funding:** Grant funding has allowed Mathematics Mastery to enhance the programme, including the successful pilot of a Key Stage 4 (KS4) programme and the workbooks for schools. It has also received funding to build pupil and parent facing resources to support pupils in their pursuit of the mastery approach beyond the classroom.

### *Assembly*

In April 2015 Ark and the NEON Foundation established a technology joint initiative called Assembly, also supported by Zing. Assembly is creating a platform that helps schools, developers and education programmes to use data more effectively by integrating school systems and enabling analytics. The design of the platform is geared towards school improvement and improved pupil outcomes.

- **Reach:** In January 2016 Assembly launched their free school benchmarking tools, which have been used to analyse the performance of over 1,000 schools. In May 2016 the Assembly platform was launched to education technology developers working with schools. The platform offers a quick, easy and cost-effective way for developers to connect their product to key data from a school's MIS (Management Information System). Assembly is working with Mathematics Mastery, as well as other third party developers, to offer apps to schools via the platform.

### Achievements and performance (continued)

- **Innovation and product development:** Assembly has been featured in both Schools Week and The Economist and is steadily gaining interest and awareness within the sector. It will launch further products during the next academic year, including analytics tools for school leaders containing data gathered through the platform.
- **Funding:** Assembly secured funding in the year from the Fidelity Foundation, which will support Assembly's growth as an organisation and product development in 2017/18 and beyond. Assembly continues to seek funders to support its activities.

#### *Expanding Horizons*

The Expanding Horizons programme, which supports schools to take pupils on outward bound trips to give them new skills and experiences, has wound down. The remaining funds have been granted to individual Ark academies for use on the Duke of Edinburgh award.

#### **Future plans**

Ark UK Programmes will continue to create and test new Ark programmes, sourced either from within the Ark family or from external partners. A priority for 2015/16 was to generate the next wave of programmes to be incubated by Ark UK programmes and, in 2016/17, two new programmes will join the existing programmes to be incubated by Ark UK Programmes: The Institute for Teaching and Ed City.

The Institute for Teaching is a joint venture between Ark and a range of other Multi-Academy Trusts (MATs), Teaching School Alliances and individual Academies to roll-out the Ark Teacher Training programme on a national scale and develop and launch a Masters in Teaching.

Ed City is the redevelopment of an Ark academy site to provide a new school, nursery, Youth Zone, offices for Ark and other mission-aligned organisations, training and events space and key worker housing. The aim of the development is to increase the mission impact of Ark and all other tenants and partners on the site.

Mathematics Mastery's primary objective for 2016/17 is to strengthen and grow the partnership outside of London to increase national awareness and reach. To support this, Mathematics Mastery plans to develop the usability and effectiveness of the online offer for schools and resources for parents. Alongside this, Mathematics Mastery will establish a clear plan for impact measurement and reporting, ensuring it is creating a strong evidence based programme.

Assembly's primary objective for 2016/17 is to build on the foundations of the platform, such that the venture team and third parties can quickly and efficiently build apps for school improvement and, as a result, there is a significant increase in schools using an app via the platform. It will also work to develop a central theory of how best to achieve school improvement through data.



## Ark UK Programmes

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### Trustees' report Year ended 31 August 2016

#### Financial review

Total Ark UK Programmes income during the year was £2.228m (2014/15 - £9.673m), which included programme income (grants and donations, programme fees and other income from activities less endowment income) of £2.166m (2014/15 - £8.491m). Of this programme income 74% to Mathematics Mastery, and 26% to Assembly. The principal funding sources for the year have been school payments and grants to Mathematics Mastery and grants to Assembly. 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 deficit of £597k (restated 2014/15 - £535k). This included a gain of £247k (2014/15 - £192k) on the endowments held as investments for the schools. The deficit reflects the drawdown by Mathematics Mastery on grants received in prior years in order to grow as a programme and Assembly's start-up cost as it continues to develop its product range.

#### Reserves Policy

Ark UK Programmes' current strategy does not involve funding internal programme development. New spin out programmes will be taken on 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 programmes. Within each of these restricted funds balances, the charity will aim to hold sufficient funds to cover 6 months of core programme operating costs.

The charity had net assets at 31 August 2016 of £7.368m (restated 2014/15 - £7.965m), comprising £5.901m of Ark Schools endowment funds, £1.410m of other restricted funds and £57k 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.

#### Investment Policy

Ark UK Programmes had a portfolio of investments with a market value as at 31 August 2016 of £6.461m (2014/15 - £6.333m).

There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees 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 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.

**Investment Policy (continued)**

A trustee and management meets 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.

**Statement of trustees' responsibilities**

The trustees (who are also directors of Ark UK Programmes for the purposes of the Companies Act) 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 trustees 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.

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 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 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.

**Trustees' report** Year ended 31 August 2016

**Statement of trustees' responsibilities (continued)**

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee 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 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.

  
LUCY HELLER  
Director

Approved by the trustees on 14 November 2016

**Independent auditor's report** Year ended 31 August 2016

**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 2016 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), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

**Independent auditor's report Year ended 31 August 2016**

**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 2016 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**

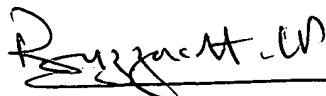
In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 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.

**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; or
- ◆ the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



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

24 November 2016

## Ark UK Programmes

### Statement of financial activities Year to 31 August 2016

	Notes	Unrestricted £000	Restricted £000	Endowments £000	Year ended 31 August 2016 Total £000	Restated Year ended 31 August 2015 Total £000
<b>Income from:</b>						
Donations and legacies:						
Grants and donations	2a	-	845	2	847	1,995
Donated services	2b,4	-	3	-	3	2
Investments	3	2	54	-	56	39
Charitable activities						
Programme fees	2c	-	1,291	-	1,291	904
Other income from activities	2c	-	29	-	29	7
Other income		-	2	-	2	-
Continuing operations		2	2,224	2	2,228	2,947
Discontinued operations		-	-	-	-	6,726
<b>Total incoming resources</b>	<b>6</b>	<b>2</b>	<b>2,224</b>	<b>2</b>	<b>2,228</b>	<b>9,673</b>
<b>Expenditure on:</b>						
Raising funds						
Investment management fees		-	-	31	31	34
Interest on finance lease		-	1	-	1	-
Charitable activities						
Support to programmes	4,5	-	2,270	-	2,270	1,390
Grants from endowments	3	-	-	-	-	861
Donated services	2b,4	-	3	-	3	2
Continuing operations		-	2,274	31	2,305	2,287
Discontinued operations		-	-	-	-	6,605
<b>Total expenditure</b>	<b>6</b>	<b>-</b>	<b>2,274</b>	<b>31</b>	<b>2,305</b>	<b>8,892</b>
Gains on investments	10	-	-	247	247	192
Transfers to The Frontline Organisation	6	-	(767)	-	(767)	-
Transfers to Ark and Ark Schools	6	-	-	-	-	(438)
Net income (expenditure) and net movement in funds		2	(817)	218	(597)	535
<b>Reconciliation of funds</b>						
<b>Funds brought forward at 1 September</b>		55	2,227	5,683	7,965	7,430
<b>Funds carried forward at 31 August</b>	<b>6</b>	<b>57</b>	<b>1,410</b>	<b>5,901</b>	<b>7,368</b>	<b>7,965</b>

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

The comparative information split between funds is given in the related note, where applicable.

All discontinued operations income and expenditure relates to restricted funds, all investment management fees and gains on investments relate to endowment funds, and the transfers to Ark and Ark Schools relate to restricted funds.

## Ark UK Programmes

### Income and expenditure account Year to 31 August 2016

	Notes	Continuing operations 2016 £000	Discontinued operations 2016 £000	Year ended 2016 £000	Continuing operations 2015 £000	Discontinued operations 2015 £000	Restated year ended 2015 £000
Total income	2a	2,226	-	<b>2,226</b>	2,317	6,726	<del>9,043</del>
Total expenditure		(2,274)	-	<b>(2,274)</b>	(1,392)	(6,605)	<del>(7,997)</del>
<b>Net income/ (expenditure) for the year</b>		<b>(48)</b>	<b>-</b>	<b>(48)</b>	<b>925</b>	<b>121</b>	<b>1,046</b>

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

The summary income and expenditure account is derived from the statement of financial activities on page 12 which, together with the notes to the financial statements on pages 17 to 32, provides full information on the movements during the year on all the funds of the charity.

Total income of £2,226k (2015 - £9,043k) comprises of £2k (2015 - £ nil) in relation to unrestricted funds and £2,224k (2015 - £9,043k) 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 expenditure for the year of £48k (restated 2015 - £1,046k net income) comprises net income of £2k (2015 - £5k net expenditure) in relation to unrestricted funds and net expenditure of £50k (restated 2015 - £1,051k net income) in relation to restricted funds, as shown in the statement of financial activities.

## Ark UK Programmes

### Balance Sheet as at 31 August 2016

	Notes	2016 £000	Restated 2015 £000
<b>Fixed assets</b>			
Investment property	9	713	-
Investment assets	10	6,461	6,333
		<u>7,174</u>	<u>6,333</u>
<b>Current assets</b>			
Debtors	11	571	2,956
Short term deposits		1,300	400
Cash at bank and in hand		309	1,374
		<u>2,180</u>	<u>4,730</u>
<b>Creditors: amounts due within one year</b>	12	(1,894)	(3,077)
<b>Net current assets</b>		<u>286</u>	<u>1,653</u>
<b>Total assets less current liabilities</b>		7,460	7,986
<b>Creditors: amounts due after more than one year</b>	13	(92)	(21)
<b>Net assets</b>		<u>7,368</u>	<u>7,965</u>
<b>The funds of the charity</b>			
Unrestricted general funds		57	55
Restricted funds		1,410	2,227
Endowment funds		5,901	5,683
<b>Total funds</b>	6	<u>7,368</u>	<u>7,965</u>

Approved by the Board of Directors on 14 November 2016 and signed on its behalf by:

*Lucy Heller*

LUCY HELLER  
Director



## Ark UK Programmes

### Statement of cash flows Year to 31 August 2016

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	A	1,374	202
Transfer to Ark Schools		-	(459)
Transfer to the Frontline Organisation		(400)	-
<b>Cash generated from operations</b>		<b>974</b>	<b>(257)</b>
<b>Cash flows from investing activities:</b>			
Investment income		56	42
Proceeds from the disposal of investments		2,375	3,977
Payments to short term deposits		(1,300)	(400)
Purchase of investments		(3,244)	(3,662)
<b>Net cash provided by (used in) investing activities</b>		<b>(2,113)</b>	<b>(43)</b>
<b>Cash inflow from financing activities:</b>			
Endowment withdrawal		-	(861)
Endowment top-ups		607	60
<b>Net cash provided by (used in) financing activities</b>		<b>607</b>	<b>(801)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(532)</b>	<b>(1,101)</b>
<b>Cash and cash equivalents at 1 September 2015</b>	B	<b>1,462</b>	<b>2,730</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>(610)</b>	<b>(167)</b>
<b>Cash and cash equivalents at 31 August 2016</b>	B	<b>320</b>	<b>1,462</b>

## Ark UK Programmes

### Statement of cash flows Year to 31 August 2016

Notes to the statement of cash flows for the year to 31 August 2016.

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

	2016 £	Restated 2015 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(597)</b>	<b>535</b>
<b>Adjustments for:</b>		
(Gains) losses on investments	(247)	(192)
Transfers out of fund balances	767	535
Investment income	(56)	(42)
Net expenditure on endowments	2	196
(Increase) decrease in debtors (excluding endowment debtors)	2,385	(1,087)
Less debtors transferred to Ark/Ark Schools	-	(193)
Less debtors transferred to the Frontline Organisation	1,494	-
Increase (decrease) in creditors (excluding endowment creditors)	(1,051)	385
Plus creditors transferred to Ark/Ark Schools	-	212
Plus creditors transferred to the Frontline Organisation	(1,322)	-
<b>Net cash provided by (used in) operating activities</b>	<b>1,374</b>	<b>252</b>

**B Analysis of cash and cash equivalents**

	2016 £	2015 £
Cash at bank and in hand	309	1,374
Cash held by investment managers	11	88
<b>Total cash and cash equivalents</b>	<b>320</b>	<b>1,462</b>

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.

## 1 Accounting policies

### ***Basis of preparation***

These financial statements have been prepared for the year to 31 August 2016.

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 (FRS 102) (Charities SORP FRS 102), 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.

### ***Reconciliation with previous Generally Accepted Accounting Practice***

In preparing the financial statements, the trustees considered whether, in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was needed.

In accordance with the requirements of FRS 102, a reconciliation of the opening balances and net income (expenditure) for the year is provided with the net income (expenditure) under previous GAAP adjusted for the presentation of investment gains (losses) as a component of reported income and to include a holiday pay accrual:

	31 August 2015 £	
Reconciliation of reported income:		
Net income (expenditure) as previously stated	791	
Adjustment for gains (losses) on investments now treated as a component of net income	192	
Transfer to Ark and Ark Schools now treated as a component of net income	(438)	
Adjustment for holiday pay accrual	(10)	
2015 net income as restated	535	
	31 August 2015 £	1 September 2014 £
Reconciliation of reported funds:		
Total funds as previously stated	8,024	1,479
Adjustment for holiday pay accrual	(59)	(49)
Total funds as restated	7,965	1,430

**1 Accounting policies (continued)**

***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 of the charity have 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. The trustees are 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 most significant areas of judgement that affect items in the accounts are detailed below. With regard to the next accounting period, the year ending 31 August 2017, the most significant areas that affect the carrying value of the assets held by the charity 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).

***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:

- ◆ Allocating support costs across charitable activities;
- ◆ Timing of income recognition for programme fees;
- ◆ Classification of leases as finance or operating;
- ◆ Determining the discount rate for future cash flows;
- ◆ Measurement of fair values of the investment property.

***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.

**1 Accounting policies (continued)**

***Fund accounting (continued)***

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.

***Expenditure***

Liabilities 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 accruals 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.

**1 Accounting policies (continued)**

***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.

***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.

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.

**1 Accounting policies (continued)**

***Investments (continued)***

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.

***Operating lease***

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

**1 Accounting policies (continued)**

***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 statement of financial position 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 to produce a constant rate of change on the balance of the capital repayments outstanding.

***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 where such discounting is material.



## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2016

#### 2 a Grants and Donations

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

	Unrestricted £000	Restricted £000	Endowments £000	<b>Total 2016 £000</b>	Total 2015 £000
Mathematics Mastery programme	-	301	-	<b>301</b>	1,192
Assembly	-	544	-	<b>544</b>	137
Ark Schools endowment interest	-	-	-	-	36
Endowment funds	-	-	2	<b>2</b>	630
Continuing operations	-	845	2	<b>847</b>	1,995
Frontline programme	-	-	-	-	5,543
Firstline programme	-	-	-	-	671
Discontinued operations	-	-	-	-	6,214
	-	845	2	<b>847</b>	8,209
<b>2015 total</b>	-	<b>7,579</b>	<b>630</b>	<b>8209</b>	

#### 2 b Donated Services

During the year the organisation received the following donated services:

	Unrestricted £000	Restricted £000	Endowments £000	<b>Total 2016 £000</b>	Total 2015 £000
Mathematics Mastery legal advice	-	3	-	<b>3</b>	2
Continuing operations	-	3	-	<b>3</b>	2
Frontline advertising	-	-	-	-	43
Frontline legal advice	-	-	-	-	57
Frontline consulting	-	-	-	-	320
Frontline staff development	-	-	-	-	54
Frontline programme delivery	-	-	-	-	17
Discontinued operations	-	-	-	-	491
	-	3	-	<b>3</b>	493
<b>2015 total</b>	-	<b>493</b>	-	<b>493</b>	

Donated services are valued at the open market cost as determined by the supplier.

Notes to the financial statements Year to 31 August 2016

**2 c Income from charitable activities**

During the year the organisation received the following income from charitable activities:

	Unrestricted £000	Restricted £000	Endowments £000	<b>Total 2016 £000</b>	Total 2015 £000
Mathematics Mastery programme	-	1,283	-	<b>1,283</b>	904
Assembly programme	-	8	-	<b>8</b>	-
	-	1,291	-	<b>1,291</b>	904
<b>Other income from charitable activities</b>					
Mathematics Mastery programme	-	19	-	<b>19</b>	7
Assembly programme	-	10	-	<b>10</b>	-
Continuing operations	-	29	-	<b>29</b>	7
Frontline programme	-	-	-	-	1
Discontinued operations	-	-	-	-	1
	-	29	-	<b>29</b>	8
	-	1,320	-	<b>1,320</b>	912
<b>2015 total</b>	-	<b>912</b>	-	<b>912</b>	

**3 Investment income**

	Unrestricted £000	Restricted £000	<b>Total 2016 £000</b>	Total 2015 £000
Income and interest from listed investments	-	43	<b>43</b>	34
Interest from cash deposits	2	9	<b>11</b>	5
Income from investment property	-	2	<b>2</b>	-
Continuing operations	2	54	<b>56</b>	39
Interest from cash deposits	-	-	-	3
Discontinued operations	-	-	-	3
	2	54	<b>56</b>	42
<b>2015 total</b>	-	<b>42</b>	<b>42</b>	

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 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 was £607k.

In 2015-16, £621k of the endowment held by Ark UK Programmes was transferred from listed investments to investment property (note 9).

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2016

#### 4 Analysis of charitable expenditure

	Activities undertaken directly £000	Donated services (see note 2b) £000	Grant funding of activities £000	Support costs £000	<b>Total 2016 £000</b>	Restated Total 2015 £000
<b>Charitable expenditure</b>						
Mathematics Mastery programme	1,412	3	-	228	<b>1,643</b>	1,234
Expanding Horizons programme	-	-	-	-	-	68
Assembly programme	551	-	-	76	<b>627</b>	88
Endowment programme	1	-	-	2	<b>3</b>	2
Continuing operations	1,964	3	-	306	<b>2,273</b>	1,392
Frontline programme	-	-	-	-	-	5,934
Firstline programme	-	-	-	-	-	671
Discontinued operations	-	-	-	-	-	6,605
	<b>1,964</b>	<b>3</b>	<b>-</b>	<b>306</b>	<b>2,273</b>	<b>7,997</b>
2015 total (restated)	<b>6,793</b>	<b>493</b>	<b>228</b>	<b>483</b>	<b>7,997</b>	

Expenditure on support costs was funded by both unrestricted reserves and restricted programme funds.

#### 5 Allocation of support costs

	Management costs £000	Finance £000	Governance costs £000	Other overheads and support staff £000	<b>Total 2016 £000</b>	Restated total 2015 £000
<b>Charitable expenditure</b>						
Mathematics Mastery programme	25	15	7	181	<b>228</b>	194
Endowment programme	-	-	2	-	<b>2</b>	2
Assembly programme	25	9	5	37	<b>76</b>	-
Frontline programme	-	-	-	-	-	256
Firstline programme	-	-	-	-	-	31
	<b>50</b>	<b>24</b>	<b>14</b>	<b>218</b>	<b>306</b>	<b>483</b>

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

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 a use of programme funds.

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2016

#### 6 Analysis of net movement in funds

	Restated at 1 September 2015 £000	Income £000	Expenditure £000	Gains/ (losses) and transfers £000	At 31 August 2016 £000
<b>Restricted funds</b>					
Mathematics Mastery programme	1,304	1,617	(1,643)	(22)	1,256
Expanding Horizons programme	13	-	-	(3)	10
Ark Schools endowment interest	93	45	(4)	-	134
Assembly programme	50	562	(627)	25	10
Continuing operations	1,460	2,224	(2,274)	-	1,410
Frontline programme	767	-	-	(767)	-
Discontinued operations	767	-	-	(767)	-
	<u>2,227</u>	<u>2,224</u>	<u>(2,274)</u>	<u>(767)</u>	<u>1,410</u>
<b>Endowment funds</b>	5,683	2	(31)	247	5,901
<b>Unrestricted funds</b>					
General	55	2	-	-	57
<b>Total funds</b>	<u>7,965</u>	<u>2,228</u>	<u>(2,305)</u>	<u>(520)</u>	<u>7,368</u>

On 1 September 2015, the Frontline and Firstline programmes transitioned to The Frontline Organisation and the remaining reserves were transferred to The Frontline Organisation in the year.

The Mathematics Mastery programme restricted fund has arisen from grants given specifically for use on the Mathematics Mastery programme and fees from schools signed up to the programme.

The Ark Schools Endowment interest restricted fund 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 to 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 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 2016 the balance of expendable endowments was £5,083k (2015 - £5,078k) and the balance of permanent endowments was £607k (2015 - £605k).

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2016

#### 7 Net movement in funds

Net movement in funds is stated after charging:

	2016 £000	2015 £000
Statutory audit fees	10	12
Other audit and tax fees	3	1
Operating lease rentals	-	3
	<b>13</b>	<b>16</b>

#### 8 Staff costs and numbers

	2016 £000	2015 £000
Salaries and wages	1,155	1,646
Social security costs	112	152
Pension costs	125	154
	<b>1,392</b>	<b>1,952</b>
Freelance costs	182	57
Agency staff and secondee costs	16	120
	<b>1,590</b>	<b>2,129</b>

Freelance cost are the costs of development contractors working for the Assembly programme.

The average number of staff, and the full time equivalent, employed during the period was:

	Headcount		FTE	
	2016	2015	2016	2015
Charitable activities	27	40	27	40
Support to activities	1	2	1	2
	<b>28</b>	<b>42</b>	<b>28</b>	<b>42</b>

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

	2016 £000	2015 £000
£60,001 - £70,000	1	3
£70,001 - £80,000	1	3
£80,001 - £90,000	2	-
	<b>4</b>	<b>6</b>

The pension contributions made on behalf of the above employees was £27,844 (2015 - £24,496).

Total remuneration paid to key management personnel was £79,190 (2015 - £79,922). Payment to all key management personnel was made by the parent charity, Ark.

Notes to the financial statements Year to 31 August 2016

**9 Investment property**

	Land and buildings £000	Total £000
<b>Cost or valuation:</b>		
At 1 September 2015	-	-
Additions	713	713
At 31 August 2016	713	713
Carrying amount at 31 August 2016	713	713
Carrying amount at 1 September 2015	-	-

The long leasehold investment property is held at fair value. As the property was purchased within 4 months of the balance sheet date, fair value is equal to the market value at the time of purchase. A valuation of the property at the reporting date was not performed.

The critical assumption made relating to the valuation is a yield of 1.43%.

Included in the amount for investment property is £91,125 relating to assets held under a finance lease (note 13).

**10 Investment assets**

	2016 £000	2015 £000
<b>Listed investments</b>		
Market value at 1 September 2015	6,262	6,260
Additions to investments at cost	1,321	3,662
Disposals at market value (proceeds: £1,990k; losses £40k)	(2,030)	(3,938)
Net unrealised investment gains	897	278
Market value at 31 August 2016	6,450	6,262
<b>Cash held by investment managers for reinvestment</b>	11	71
	6,461	6,333
Cost of listed investments at 31 August 2016	5,068	5,618

All listed investments were traded on a recognised stock exchange.

Listed investments held at 31 August 2016 comprised the following:

	2016 £000	2015 £000
Overseas equities	3,538	3,210
Short term investments	-	17
Fixed interest	722	770
Foreign exchange contracts	(6)	(43)
Alternative assets	1,554	1,679
Options, Swaps and Structured assets	-	-
Miscellaneous	642	629
	6,450	6,262

## Ark UK Programmes

### Notes to the financial statements Year to 31 August 2016

#### 10 Investment assets (continued)

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 2016.

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.

	2016 £	2015 £
<b>Unrealised gains (losses) included above:</b>		
On investments	1,382	644
<b>Total unrealised gains (losses) at 31 August 2016</b>	<b>1,382</b>	<b>644</b>
<b>Reconciliation of movements in unrealised gains (losses)</b>		
Unrealised gains at 1 September 2015	644	588
Less: in respect to disposals in the year	(159)	(222)
Add: net gains (losses) arising on revaluation arising in the year	897	278
<b>Total unrealised gains (losses) at 31 August 2016</b>	<b>1,382</b>	<b>644</b>

#### 11 Debtors

	2016 £000	2015 £000
Trade debtors	90	111
Prepayments and other debtors	129	778
Accrued income	4	964
Endowment receivable	-	605
Amounts due from Absolute Return for Kids (Ark)	348	498
	<b>571</b>	<b>2,956</b>

#### 12 Creditors: Amounts falling due within one year

	2016 £000	Restated 2015 £000
Accruals	88	490
Trade creditors	22	39
Deferred income	715	1,230
Amounts due to Ark Schools	1,014	1,147
Taxation and social security	42	55
Other creditors	13	116
	<b>1,894</b>	<b>3,077</b>

Notes to the financial statements Year to 31 August 2016

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

Movements in deferred income are analysed below.

	At 31 August 2015 £000	Released from previous year £000	Deferred in current year £000	At 31 August 2016 £000
Programme fees	540	(540)	714	714
Programme grants	690	(690)	-	-
Rental income from investment property	-	-	1	1
<b>Total deferred income</b>	<b>1,230</b>	<b>(1,230)</b>	<b>715</b>	<b>715</b>

**13 Creditors: Amounts falling due after more than one year**

	2016 £000	2015 £000
Finance lease liability	92	-
Grant Creditors	-	21
	<b>92</b>	<b>21</b>

**14 Finance lease**

The future minimum finance lease payments are as follows:

	2016 £000	2015 £000
Not later than one year	-	-
Later than one year and not later than five years	2	-
Later than five years	303	-
Total gross payments	305	-
Less: finance charges	(213)	-
Carrying amount of liability	92	-

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
<b>Fund balances at 31 August 2016 are represented by:</b>				
Investment assets	-	333	6,842	7,175
Current assets	56	2,124	-	2,180
Creditors: amounts falling due within one year	-	(953)	(942)	(1,895)
Creditors: amounts falling due in more than one year	-	-	(92)	(92)
<b>Total net assets</b>	<b>56</b>	<b>1,504</b>	<b>5,808</b>	<b>7,368</b>



**16 Trustees' remuneration and expenses**

The Chief Executive became a trustee of the charity on 1 September 2010. For the year ended 31 August 2016 her remuneration by the parent charity, Ark, (including performance related bonus) in relation to her role in Ark UK Programmes was £9,310 (2015 - £9,750) and employer's pension contribution was £589 (2015 - £990). No expenses were reimbursed through Ark UK Programmes. No other trustees of the company received any payment or other emoluments from the charity in the period.

**17 Related party transactions**

The charity is a wholly owned subsidiary of Absolute Returns for Kids (Ark). Ark UK Programmes has taken advantage of the exemption available under Section 33 of FRS 102 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 and three of the directors of Ark UK Programmes are also directors of Ark Schools.

Transfer of reserves to Ark Schools on transfer of the Ark Plus, Extended Schools and University and Careers Success programmes:

£nil (2015 - £162k) from the Ark Plus GLA programme reserves

£nil (2015 - £220k) from the Extended Schools programme reserves

£nil (2015 - £24k) from the University & Careers Success reserves

Income from Ark Schools and individual Ark academies:

£70k (2015 - £87k) towards the costs of the Mathematics Mastery programme

£3k (2015 - £2k) towards Mathematics Mastery sessions provided for Ark Teacher Training

£10k (2015 - £nil) towards the costs of the Assembly programme.

£nil (2015 - £60k) being the return of the £60k endowment withdrawal made by Globe Academy in 2013/14

Payments or awards to individual Ark academies:

£nil (2015 - £27k) in respect of follow up from the Expanding Horizons programme, in particular for use on the Duke of Edinburgh award

£176k (2015 - £670k) in respect of withdrawals from the academies endowment fund

The organisation was recharged £nil (2015 - £9k) by Ark Schools for the HR support provided. Recharges were also made for costs incurred on shared supplier accounts. £nil (2015 - £11k) was owing to Ark Schools at 31 August 2016 in respect of all recharges.

**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: 65 Kingsway, London, WC2B 6TD.

**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.