

Ark UK Programmes

Annual Report and Financial Statements

31 August 2017

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

Charity registration number 1137932

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Ark UK Programmes

Reference and administrative details

Directors and trustees	Lord Fink Lucy Heller
Chief Executive	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 Bank plc 95 George Street Croydon CR9 2NS
Solicitor	Stone King LLP 16 St John's Lane London EC1M 4BS
Investment manager	JP Morgan International Bank 25 Bank Street Canary Wharf London E14 5JP

Ark UK Programmes

Trustees' report Year ended 31 August 2017

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 2017.

The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 24 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 2016-17, four (2015-16: two) Ark programmes were incubated: Now Teach, the Institute for Teaching, Mathematics Mastery and Assembly (2015-16: Mathematics Mastery and Assembly). The contribution 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. One of the directors of Ark UK Programmes is also a director 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. All 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:

Lord Fink
Lucy Heller

Paul Dunning resigned as a director on 12 July 2017.

Directors (continued)

All existing 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 to comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

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 Deputy Chief Executive of Ark approves all salaries on appointment and any base salary in excess of £75,000 per annum is also approved by the Chief Executive of Ark. Annual reviews are subject to the same approval.

Risk management

Ark UK Programmes' management and trustees have reviewed and assessed the major risks to which the charity is exposed and systems have been established to identify and manage those risks. Business plans for new ventures address the 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

We are pleased to report that existing programmes, Mathematics Mastery and Assembly, each had successful years, hitting the majority of their operating plan targets, growing in size and scale and attracting external funding. This was also true of the two new programmes: The Institute for Teaching (IfT) and Now Teach. The achievements and performance of these programmes is described below.

Mathematics Mastery

Mathematics Mastery 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. Mathematics Mastery's approach is based on research and internationally recognised practice, particularly drawing on evidence from Singapore and Shanghai. Its key principles are: high expectations for every child, teaching fewer topics in greater depth and an emphasis on problem-solving and conceptual understanding.

Mathematics Mastery's key objectives for the year were to grow the number of schools in the partnership by expanding regionally and improving its digital presence as well as making the programme more accessible.

Key achievements for the year include:

- **Reach:** Mathematics Mastery experienced its most successful programme growth to date, with 150 new schools on board for 2017-18. This exceeded its target of 120 schools. In total, the Mathematics Mastery partnership has grown to 476 schools, an increase of 30% from the previous academic year.
- **Innovation and product development:** Mathematics Mastery has now completed its entire curriculum from Reception to Year 11. This represents a major milestone for the organisation and will enable review of the programme in its entirety from hereon, so it can continue growing and improving its offer.
- **Impact:** In 2017-18, the Mathematics Mastery programme will be impacting nearly 140,000 pupils, of which 26,000 are based in the North of England. This is a 44% increase in pupil reach from 2016-17 overall.

Assembly

In April 2015, Ark and the NEON Foundation established a joint technology initiative called Assembly, also supported by Zing and the Fidelity Foundation.

Assembly is a platform that connects school management information systems to other education software. The venture also provides tools that help schools to improve student outcomes by analysing their data and presenting it more effectively.

Achievements and performance (continued)

Assembly's two main products are:

- **Assembly Analytics:** Works to improve school analytics by offering live data dashboards covering all aspects of a school or Multi-Academy Trust (MAT)..
- **Assembly Platform:** Breaks down the barriers constraining school data by making it easier and cheaper to move data between school systems. 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.

Assembly's key objectives in the year were to grow the number of third-party school connections to the Assembly Platform and to launch the first iteration of Assembly Analytics.

- **Reach:** The Assembly Platform now has 10 connected third party developers, including the Mathematics Mastery programme. Assembly Analytics went live in 2016/17 and is now used by three MATs. Early product feedback has been very positive.
- **Innovation and product development:** A range of assessment and school improvement functionality has been added to the Assembly Platform. Assembly Analytics has grown to incorporate a comprehensive set of finance, assessment and operations measures, with a particular focus on the primary phase. The Assembly benchmarking tool, launched in January 2016, has been expanded to include MAT benchmarking.
- **Funding:** Assembly has funding in place to fulfil its current business plan. Assembly continues to seek funders to support and expand its activities.

Now Teach

Now Teach was set up in November 2016 by journalist Lucy Kellaway and teacher and writer Katie Waldegrave to encourage people who have already had one successful career to retrain as teachers. These new teachers will be part of a movement of senior professionals redeploying their skills in the classroom and teaching the children who need it most.

Now Teach is focussed on recruiting teachers in Science, Technology, Engineering and Mathematics (STEM), modern foreign languages and other shortage subjects and placing them in secondary schools serving low-income areas or those with a history of underachievement. Now Teach aims to recruit and assess participants and support them through initial teacher training and ongoing development. The venture also aims to work with schools to develop flexible working arrangements, which could provide further benefits to teacher recruitment and potential career-changers.

Now Teach's key objective for 2016/17 was to recruit 20 candidates to pilot a cohort of newly-trained teachers starting in schools in September 2018.

Achievements and performance (continued)

Key achievements for the year include:

- **Reach:** Now Teach received expressions of interest from over 1,000 candidates and dramatically enlarged the pilot year cohort from a target of 20 to 47 to capitalize on the interest and support in the programme. Now Teach is working in 17 schools across London.
- **Substantial media coverage:** This was spearheaded by Lucy Kellaway's announcement in the FT of her decision to become a teacher and to co-found Now Teach. This has been followed up by coverage in TES, BBC Today, The Times, The Guardian, The Jeremy Vine show, The Economist, The Evening Standard, The Independent, and BBC Radio 2 (Vanessa Feltz).
- **Funding:** Now Teach successfully raised funds for its entire first year budget and a portion of the second year's. £302k in grants was raised from two main funders: Winton Philanthropy and Moondance Foundation. Important, smaller, grants were also received from the DfE.

The Institute for Teaching

The Institute for Teaching (IfT) is a specialist graduate school for teachers with the purpose of ensuring that teachers are able to keep getting better. Evidence shows that having an expert teacher in every classroom is the best way to make sure that every pupil, regardless of their background, gets a great education. But teaching is complex and becoming an expert is not easy. The IfT believes that teachers deserve as much effort to go into their training as they put into their teaching. They are therefore rethinking teacher education, aiming to provide a progression pathway to expertise, taught by a faculty of expert teacher educators.

The IfT's key objectives for the year were:

- to support the ongoing delivery of the "outstanding" Ark Teacher Training (ATT) programme
- to build a high-performing team capable of building a world-class institution, including an expert faculty
- to leverage the best available evidence alongside their network of global experts, to design globally-recognised, practice-based courses to enable teachers and teacher educators to master their craft
- to secure additional funding to underpin sustainable delivery

Key achievements for the year include:

Reach: During 2016/17 the IfT supported ATT's expansion into new Multi-Academy Trusts and, for the first time, into teaching school alliances. The IfT also partnered with Now Teach to select and place several successful individuals as they pursued changing their careers from business into teaching.

Achievements and performance (continued)

Organisation building: The IfT has brought in Associate Deans of Design to the IfT faculty, adding to the experience of the existing Dean and IfT Director. They have also built a full senior leadership team. Website and information packs have been developed in advance of the IfT's formal launch - planned for November 2017.

- **Innovation and product development:** There have been three programmes in development:
 - Masters in Expert Teaching: a practice-based course for experienced teachers who want to continue to improve their teaching expertise in order to significantly improve outcomes for pupils.
 - Fellowship in Teacher Education: A practice-based course, underpinned by the latest research and best practice, for expert teachers who want to develop into teacher educators.
 - Transforming Teaching: a whole-school programme for improving teaching, retention and career progression, targeted at schools where the need is greatest

Programme design is on track, with Transforming Teaching set to launch in October, the Masters programme set to launch in January, and the Fellowship launching in April.

- **Funding:** During 2016/17 the IfT successfully bid for the Department for Education's Teaching and Leadership Innovation Fund (TLIF). This will provide funding for the Transforming Teaching programme up to the end of March 2020, including bursaries for eligible participants for the IfT's Masters programme. The IfT has also built partnerships with Zing, Big Change and Credit Suisse. In 2016/17 a grant was made by the IfT to ATT to support the ongoing delivery of their programme.

EdCity

EdCity is the redevelopment of an Ark academy site in order to provide new, shared educational facilities, including a redeveloped school, nursery, a youth centre and offices for Ark and other mission-aligned organisations. The new space would include 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. In 2016/17 a grant was made by EdCity to Ark Schools to support the initial work performed on redeveloping the school site.

Achievements and performance (continued)

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 with from within the Ark family or from external partners. There are currently no additional programmes in the pipeline. The priority for 2017/18 will be to focus on developing the existing programmes.

Mathematics Mastery's priority for 2017/18 is to strengthen the programme offer as it grows the partnership nationally. To do this, Mathematics Mastery will implement its impact strategy to focus on research to enhance its potential as a centre of thought leadership in mathematics education.

Assembly will focus in 2017/18 on growing the number of school connections to the Assembly Platform. It will also continue to develop Assembly Analytics, particularly in relation to how the dashboard supports secondary schools.

Now Teach's primary objectives for 2017/18 are to support the current cohort with their teacher training, ensuring that they remain on the programme and in the schools. The other primary objective is to recruit the next cohort of around 80 new career changers. Now Teach also aims to establish additional strategic partnerships with training providers and schools to ensure that this growth can be achieved. The venture will also work to continue to build local and national awareness of the programme.

2017/18 will be a crucial year for the IfT, as their three courses go live.

The team will continue to focus on the crucial questions of:

- What teachers need to know to be able to do?
- What instructional methods are most effective for teaching them this?
- Who is best placed to teach them these methods?
- What does the faculty need to know and be able to do?
- How does the IfT know the training is working and that teachers are getting better?

The specific priorities for the organisation will be to demonstrate impact and to continue to build the foundations of a high performing organisation including an expert faculty. During 2017/18 the IfT will also seek closer partnership with like-minded organisations such as Ambition School Leadership, who have complementary professional development offers.

In 2017/18, EdCity hopes to achieve full planning permission for the site development and for construction to start soon afterwards.

Ark UK Programmes

Trustees' report Year ended 31 August 2017

Financial review

Total Ark UK Programmes income during the year was £4,842k (2015/16 - £2,228k), which included programme income (grants and donations, programme fees and other income from activities less endowment income) of £4,754k (2015/16 - £2,166k). The split of programme income between the programmes was as follows:

- 39% (2015/16 - 74%) to Mathematics Mastery
- 21% (2015/16 - 0%) to EdCity
- 17% (2015/16 - 0%) to the IfT
- 16% (2015/16 - 26%) to Assembly
- 7% (2015/16 - 0%) to Now Teach

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

The net movement in funds for the year was a surplus of £483k (deficit 2015/16 - £597k). This included a gain of £518k (2015/16 - £247k) on the endowments held as investments for the schools. The surplus reflects the gain on investments and grant income received in the year for both new and existing programmes less 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 2017 of £7,851k (2015/16 - £7,368k), comprising £6,275k (2015/16 - £5,901k) of Ark Schools endowment funds, £1,526k (2015/16 - £1,410k) of other restricted funds and £50k (2015/16 - £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 2017 of £6,989k (2015/16 - £6,461k).

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

Investment Policy (continued)

of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five-year period.

Financial derivative products are used to ameliorate the risk associated with holding investments in foreign currencies.

A trustee and management 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.

Trustees' report Year ended 31 August 2017

Statement of trustees' responsibilities (continued)

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.

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.

Approved by the trustees and signed on their behalf by:

Director

Lynn Hewer

(Lynn Hewer)

Date:

12.12.17

Ark UK Programmes

Independent auditor's report to the members of Ark UK Programmes Year ended 31 August 2017

Opinion

We have audited the financial statements of Ark UK Programmes for the year ended 31 August 2017 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.

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 2017 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Ark UK Programmes

Independent auditor's report to the members of Ark UK Programmes Year ended 31 August 2017

- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters 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

Ark UK Programmes

Independent auditor's report to the members of Ark UK Programmes Year ended 31 August 2017

- ◆ 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.

Responsibilities of trustees

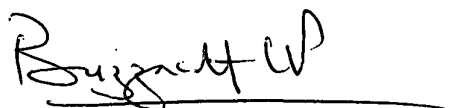
As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation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

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

Auditor's responsibilities for the audit of the financial statements

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

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



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

13 December 2017

Ark UK Programmes

Statement of financial activities Year to 31 August 2017

		Unrestricted	Restricted	Endowments	Year ended 31 August 2017 Total £000	Year ended 31 August 2016 Total £000
	Notes	£000	£000	£000		
Income from:						
Donations and legacies:						
Grants and donations	2a	-	2,829	-	2,829	847
Donated services	2b,4	-	121	-	121	3
Investments	3	-	94	-	94	56
Charitable activities						
Programme fees	2c	-	1,705	-	1,705	1,291
Other income from activities	2c	-	93	-	93	29
Other income		-	-	-	-	2
Total incoming resources	6	-	4,842	-	4,842	2,228
Expenditure on:						
Raising funds						
Investment management fees		-	-	33	33	31
Interest on finance lease		-	-	1	1	1
Charitable activities						
Support to programmes	4,5	7	4,605	-	4,612	2,270
Support to schools	3	-	-	110	110	-
Donated services	2b,4	-	121	-	121	3
Total expenditure	6	7	4,726	144	4,877	2,305
Gains on investments	10	-	-	518	518	247
Transfers to The Frontline Organisation	6	-	-	-	-	(767)
Net income (expenditure) and net movement in funds		(7)	116	374	483	(597)
Reconciliation of funds						
Funds brought forward at 1 September		57	1,410	5,901	7,368	7,965
Funds carried forward at 31 August	6	50	1,526	6,275	7,851	7,368

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 investment management fees and gains on investments relate to endowment funds.

Ark UK Programmes

Income and expenditure account Year to 31 August 2017

	Notes	Year ended 2017 £000	Year ended 2016 £000
Total income	2a	4,842	2,226
Total expenditure		(4,733)	(2,274)
Net income/ (expenditure) for the year		109	(48)

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 15 which, together with the notes to the financial statements on pages 20 to 33, provides full information on the movements during the year on all the funds of the charity.

Total income of £4,842k (2016 - £2,226k) comprises of £nil (2016 - £2k) in relation to unrestricted funds and £4,842k (2016 - £2,224k) 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 £109k (2016 - £48k net expenditure) comprises net expenditure of £7k (2016 - £2k net income) in relation to unrestricted funds and net income of £102k (2016 - £50k net expenditure) in relation to restricted funds, as shown in the statement of financial activities.

Ark UK Programmes

Balance Sheet as at 31 August 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Investment property	9	716	713
Investment assets	10	6,989	6,461
		<u>7,705</u>	<u>7,174</u>
Current assets			
Debtors	11	2,171	571
Short term deposits		850	1,300
Cash at bank and in hand		637	309
		<u>3,658</u>	<u>2,180</u>
Creditors: amounts due within one year	12	(3,425)	(1,894)
Net current assets		<u>233</u>	<u>286</u>
Total assets less current liabilities		7,938	7,460
Creditors: amounts due after more than one year	13	(87)	(92)
Net assets		<u>7,851</u>	<u>7,368</u>
The funds of the charity			
Unrestricted general funds		50	57
Restricted funds		1,526	1,410
Endowment funds		6,275	5,901
Total funds	6	<u>7,851</u>	<u>7,368</u>

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

Director *Lynn Hewer* (Lynn Hewer)
 Date: *12.12.17*

Ark UK Programmes

Statement of cash flows Year to 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	(191)	1,374
Transfer to the Frontline Organisation		-	(400)
Cash generated from operations		(191)	974
Cash flows from investing activities:			
Investment income		94	56
Proceeds from the disposal of investments		2,964	2,375
Payments to (receipts from) short term deposits		450	(1,300)
Purchase of investments		(2,651)	(3,244)
Net cash provided by (used in) investing activities		855	(2,113)
Cash inflow from financing activities:			
Endowment withdrawal		(110)	-
Endowment top-ups		-	607
Net cash provided by (used in) financing activities		(110)	607
Change in cash and cash equivalents in the year		556	(532)
Cash and cash equivalents at 1 September	B	320	1,462
Change in cash and cash equivalents due to exchange rate movements		(129)	(610)
Cash and cash equivalents at 31 August	B	747	320

Ark UK Programmes

Statement of cash flows Year to 31 August 2017

Notes to the statement of cash flows for the year to 31 August 2017.

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

	2017 £	2016 £
Net movement in funds (as per the statement of financial activities)	483	(597)
Adjustments for:		
Depreciation charges	(2)	-
(Gains) losses on investments	(518)	(247)
Plus outgoing resources from endowments	110	-
Transfers out of fund balances	-	767
Investment income	(94)	(56)
Net expenditure on endowments	-	2
(Increase) decrease in debtors (excluding endowment debtors)	(1,600)	2,385
Less debtors transferred to the Frontline Organisation	-	1,494
Increase (decrease) in creditors (excluding endowment creditors)	1,430	(1,051)
Plus creditors transferred to the Frontline Organisation	-	(1,322)
Net cash provided by (used in) operating activities	(191)	1,374

B Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	637	309
Cash held by investment managers	110	11
Total cash and cash equivalents	747	320

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.

Notes to the financial statements Year to 31 August 2017

1 Accounting policies

Basis of preparation

These financial statements have been prepared for the year to 31 August 2017.

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.

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;

1 Accounting policies (continued)

- ◆ 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.

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

Notes to the financial statements Year to 31 August 2017

1 Accounting policies (continued)

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

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

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

Allocation of overhead and support costs

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

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

Volunteers and donated services

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

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;

1 Accounting policies (continued)

- ◆ Level 2 (unlisted investments) – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable either directly or indirectly; and
- ◆ Level 3 (unlisted investments) – Prices or valuation that requires inputs that are both significant to the fair value measurement and unobservable.

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

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

Investment Property

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

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

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

Foreign currencies

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

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, including updating the effective interest rate to reflect the charity's incremental cost of capital. This rate was 1.50% (2015/16 - 1.43%).

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 2017

2 a Grants and Donations

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

	Unrestricted £000	Restricted £000	Endowments £000	Total 2017 £000	Total 2016 £000
Mathematics Mastery	-	58	-	58	301
Assembly	-	689	-	689	544
EdCity	-	1,000	-	1,000	-
The Institute for Teaching	-	780	-	780	-
Now Teach	-	302	-	302	-
Endowment funds	-	-	-	-	2
	-	2,829	-	2,829	847
2016 total	-	845	2	847	

2 b Donated Services

During the year the organisation received the following donated services:

	Unrestricted £000	Restricted £000	Endowments £000	Total 2017 £000	Total 2016 £000
Mathematics Mastery	-	-	-	-	3
Now Teach	-	121	-	121	-
	-	121	-	121	3
2016 total	-	3	-	3	

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

2 c Income from charitable activities

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

	Unrestricted £000	Restricted £000	Endowments £000	Total 2017 £000	Total 2016 £000
Mathematics Mastery	-	1,699	-	1,699	1,283
Assembly	-	6	-	6	8
	-	1,705	-	1,705	1,291
Other income from charitable activities					
Mathematics Mastery programme	-	26	-	26	19
Assembly programme	-	67	-	67	10
	-	93	-	93	29
	-	1,798	-	1,798	1,320
2016 total	-	1,320	-	1,320	

Ark UK Programmes

Notes to the financial statements Year to 31 August 2017

3 Investment income

	Unrestricted £000	Restricted £000	Total 2017 £000	Total 2016 £000
Income and interest from listed investments	-	54	54	43
Interest from cash deposits	-	7	7	11
Income from investment property	-	33	33	2
	-	94	94	56
2016 total	-	56	56	

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 2016/17, £nil (2015/16: £621k) of the endowment held by Ark UK Programmes was transferred from listed investments to investment property (note 9). During the year, £110k of endowment funds were withdrawn (2015/16: £nil) and provided to Ark Charter Academy for capital improvements.

4 Analysis of charitable expenditure

	Activities undertaken directly £000	Donated services (see note 2b) £000	Grant funding of activities £000	Support costs £000	Total 2017 £000	Total 2016 £000
Charitable expenditure						
Mathematics Mastery	2,009	-	-	87	2,096	1,643
Assembly	744	-	-	30	774	627
EdCity	69	-	700	-	769	-
The Institute for Teaching	299	-	500	7	806	-
Now Teach	138	121	-	10	269	-
Endowment programme	12	-	-	-	12	3
Unrestricted	7	-	-	-	7	-
	3,277	121	1,200	135	4,733	2,273
2016 total	1,964	3	-	306	2,273	

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

Ark UK Programmes

Notes to the financial statements Year to 31 August 2017

5 Allocation of support costs

	Finance £000	HR £000	Governance costs £000	Other overheads and support staff £000	Total 2017 £000	Total 2016 £000
Charitable expenditure						
Mathematics Mastery	17	3	8	59	87	228
Assembly	11	1	3	15	30	76
EdCity	-	-	-	-	-	-
The Institute for Teaching	-	-	-	7	7	-
Now Teach	3	-	1	6	10	-
Endowment programme	-	-	-	-	-	2
	<u>31</u>	<u>4</u>	<u>12</u>	<u>87</u>	<u>135</u>	<u>306</u>

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.

6 Analysis of net movement in funds

	At 1 September 2016 £000	Income £000	Expenditure £000	Gains/ (losses) and transfers £000	At 31 August 2017 £000
Restricted funds					
Mathematics Mastery	1,256	1,788	(2,096)	(25)	923
Expanding Horizons	10	-	-	-	10
Assembly	10	763	(774)	25	24
EdCity	-	1,000	(769)	-	231
The Institute for Teaching	-	780	(806)	49	23
Now Teach	-	423	(269)	(49)	105
Ark Schools endowment interest	134	88	(12)	-	210
	<u>1,410</u>	<u>4,842</u>	<u>(4,726)</u>	<u>-</u>	<u>1,526</u>
Endowment funds	5,901	-	(144)	518	6,275
Unrestricted funds					
General	57	-	(7)	-	50
Total funds	<u>7,368</u>	<u>4,842</u>	<u>(4,877)</u>	<u>518</u>	<u>7,851</u>

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 Assembly, EdCity, Institute for Teaching and Now Teach restricted

Ark UK Programmes

Notes to the financial statements Year to 31 August 2017

6 Analysis of net movement in funds (continued)

funds have arisen primarily from the receipt of grant income for use specifically on the respective programme.

The Ark Schools Endowment interest in restricted funds has arisen from dividends and interest paid out on the endowment investments held by Ark UK Programmes on behalf of individual Ark academies. The income is restricted 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 2017 the balance of expendable endowments was £5,216k (2016 - £5,083k) and the balance of permanent endowments was 715k (2016 - £607k).

7 Net movement in funds

Net movement in funds is stated after charging:

	2017 £000	2016 £000
Statutory audit fees	11	10
Other audit and tax fees	-	3
Operating lease rentals	81	-
	<u>92</u>	<u>13</u>

The future minimum operating lease payments are as follows:

	2017 £000	2016 £000
Not later than one year	62	-
Later than one year and not later than five years	-	-
Later than five years	-	-
Total gross payments	<u>62</u>	<u>-</u>

Ark UK Programmes

Notes to the financial statements Year to 31 August 2017

8 Staff costs and numbers

	2017 £000	2016 £000
Salaries and wages	1,703	1,155
Social security costs	180	112
Pension costs	183	125
	2,066	1,392
Freelance costs	275	182
Agency staff and secondees costs	25	16
	2,366	1,590

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	
	2017	2016	2017	2016
Charitable activities	39	27	37	27
Support to activities	1	1	1	1
	40	28	38	28

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

	2017 £000	2016 £000
£60,001 - £70,000	-	1
£70,001 - £80,000	2	1
£80,001 - £90,000	2	2
£90,001 - £100,000	1	-
	5	4

The pension contributions made on behalf of the above employees was £39,157 (2016 - £27,844).

Total remuneration paid to key management personnel was £91,309 (2016 - £79,190). Payment to all key management personnel was made by the parent charity, Ark.

9 Investment property

	Land and buildings £000	Total £000
Cost or valuation:		
At 1 September 2016	713	713
Increase in fair value	3	3
At 31 August 2017	716	716
Carrying amount at 31 August 2016	716	716
Carrying amount at 1 September 2015	713	713

Notes to the financial statements Year to 31 August 2017

9 Investment property (continued)

The long leasehold investment property is held at fair value. Completion of the property was on 20 May 2016. The Directors have performed the valuation of the property at 31 August 2017 based on publicly available information.

Included in the amount for investment property is £92,023 (2015/16 - £91,125) relating to assets held under a finance lease (note 13).

10 Investment assets

	2017 £000	2016 £000
Listed investments		
Market value at 1 September	6,450	6,262
Additions to investments at cost	2,651	1,321
Disposals at market value (proceeds: £2,964k (2015/16 - £1,990k); gains £217k (2015/16 - losses £40k))	(2,747)	(2,030)
Net unrealised investment gains	525	897
Market value at 31 August	6,879	6,450
Cash held by investment managers for reinvestment	110	11
	6,989	6,461
Cost of listed investments at 31 August 2017	5,213	5,068

All listed investments were traded on a recognised stock exchange.

Listed investments held at 31 August 2017 comprised the following:

	2017 £000	2016 £000
Overseas equities	3,785	3,538
Fixed interest	868	722
Foreign exchange contracts	(71)	(6)
Alternative assets	1,844	1,554
Miscellaneous	453	642
	6,879	6,450

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 2017.

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.

Ark UK Programmes

Notes to the financial statements Year to 31 August 2017

10 Investment assets (continued)

	2017 £000	2016 £000
Unrealised gains (losses) included above:		
On investments	1,649	1,382
Total unrealised gains (losses) at 31 August 2017	1,666	1,382
Reconciliation of movements in unrealised gains (losses)		
Unrealised gains at 1 September 2016	1,382	644
Less: in respect to disposals in the year	(241)	(159)
Add: net unrealised gains (losses) arising on revaluation arising in the year	525	897
Total unrealised gains (losses) at 31 August 2017	1,666	1,382

11 Debtors

	2017 £000	2016 £000
Trade debtors	51	90
Prepayments and other debtors	120	129
Accrued income	7	4
Amounts due from Absolute Return for Kids (Ark)	1,993	348
	2,171	571

12 Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Accruals	114	88
Trade creditors	62	22
Deferred income	965	715
Amounts due to Ark Schools	2,211	1,014
Taxation and social security	53	42
Other creditors	20	13
	3,425	1,894

Movements in deferred income are analysed below.

	At 31 August 2016 £000	Released from previous year £000	Deferred in current year £000	At 31 August 2017 £000
Programme fees	714	(714)	965	965
Rental income from investment property	1	(1)	-	-
Total deferred income	715	(715)	965	965

13 Creditors: Amounts falling due after more than one year

	2017 £000	2016 £000
Finance lease liability	87	92
	87	92

Ark UK Programmes

Notes to the financial statements Year to 31 August 2017

14 Finance lease

The future minimum finance lease payments are as follows:

	2017 £000	2016 £000
Not later than one year	-	-
Later than one year and not later than five years	2	2
Later than five years	302	303
Total gross payments	304	305
Less: finance charges	(217)	(213)
Carrying amount of liability	87	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
Fund balances at 31 August 2017 are represented by:				
Investment assets	-	210	7,497	7,705
Current assets	50	3,608	-	3,658
Creditors: amounts falling due within one year	-	(2,290)	(1,135)	(3,425)
Creditors: amounts falling due in more than one year	-	-	(87)	(87)
Total net assets	50	1,494	6,309	7,851

16 Trustees' remuneration and expenses

The Chief Executive became a trustee of the charity on 1 September 2010. For the year ended 31 August 2017 her remuneration by the parent charity, Ark, (including performance related bonus) in relation to her role in Ark UK Programmes was £10,484 (2016 - £9,310) and employer's pension contribution was £nil (2016 - £589). 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 Return 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 the directors of Ark UK Programmes are also directors of Ark Schools.

Ark UK Programmes

Notes to the financial statements Year to 31 August 2017

18 Related party transactions (continued)

Income from Ark Schools and individual Ark academies:

£99k (2016 - £70k) towards the costs of the Mathematics Mastery programme.

£nil (2016 - £3k) towards Mathematics Mastery sessions provided for Ark Teacher Training.

£67k (2016 - £10k) towards the costs of the Assembly programme.

Payments or awards to individual Ark academies:

£110k (2016 - £176k) in respect of withdrawals from the academies endowment fund.

The organisation was recharged £4k (2016 - £nil) by Ark Schools for the HR support provided. Recharges were also made for costs incurred on shared supplier accounts. £1k (2016 - £nil) was owing to Ark Schools at 31 August 2017 in respect of all recharges.

Grants awarded to Ark Schools:

£700k grant (2016 - £nil) was awarded by EdCity to Ark Schools to support the initial work performed on redeveloping the Ark academy site.

£500k grant (2016 - £nil) was award by the IfT to Ark Schools to support the ongoing delivery of their programme.

Both grants were liabilities at the year-end and are included within amounts payable to Ark Schools.

19 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.

20 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.