



Ark Schools

Consolidated annual report and financial statements

31 August 2025

Company limited by guarantee, registration number 05112090 (England and Wales)

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Reference and administrative details

Member	Absolute Return for Kids (referred to within these accounts as 'Ark')
Trustees	Christina Alexandrou (Chair) Lord Fink Fiona Forbes Gerard Griffin Lucy Heller Richard King Claire Musgrave (Appointed 25 March 2025) Anthony Williams
Company Secretary	Kathryn Godfrey
Senior Management Team	Lucy Heller Venessa Willms Jerry Collins Lisa Hawker Nichola Laurence
Registered office	1EdCity EdCity Walk London W12 7TF
Registration number	05112090 (England and Wales)
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank plc 95 George Street Croydon CR9 2NS
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

Trustees' report (including strategic report)

Year to 31 August 2025

The trustees, who are also the directors of the charitable company, present their annual report and the audited consolidated financial statements of Ark Schools for the year to 31 August 2025 and its subsidiary company, Ark Academies Projects Limited (registered company in England and Wales number 04101629), together known as 'the Group'.

The report has been prepared in accordance with Part 8 of the Charities Act 2011, and it is also the report of the trustees for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 45 to 52 and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objectives and activities

Objects and Aims

Ark Schools' charitable objects, as laid out within our governing document, are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to, the generality of the foregoing by:

- (a) Establishing, maintaining, carrying on, managing, and developing schools offering a broad curriculum with a strong emphasis on, but in no way limited to, one or a combination of the specialisms specified in the funding agreements entered into between the Trust and the Secretary of State.
- (b) Providing childcare facilities and adult training to develop the capacity and skills of parents-to-be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children.

Public benefit

The trustees have referred to the Charity Commission guidance on public benefit when reviewing the charitable company's objectives and aims and planning future activities and consider that the charitable company's aims are for the public benefit.

Trustees' report (including strategic report)

Year to 31 August 2025

Strategic report: achievements and future plans

Introduction

Over the last 20 years, we have made good progress towards our vision that all children have access to a great education and real choices in life.

Today, Ark Schools serves 30,000 students in our network of 39 schools across Birmingham, Hastings, London and Portsmouth.

Despite working in areas of high need, our schools consistently outperform national averages, and Ark Schools ranks among the top performing large multi-academy trusts at primary and secondary.

Working hand in hand with the wider Ark charity, we also share best practice developed in our schools with the sector, to benefit children nationally.

The year in summary

Primary

- Ark Schools is one of the highest-performing multi-academy trusts in the country for primary outcomes. In 2024/25, children leaving an Ark primary school were 16 percentage points more likely to be on track in reading, writing and maths than the national average (78% v 62%), while children from disadvantaged backgrounds were 25 percentage points more likely to meet the expected standard than disadvantaged children nationally (72% v 47%).

Secondary

- While national pass rates at GCSE fell by 0.5 percentage points this year, the proportion of Ark students gaining 4+ in maths and English rose by 3 percentage points to 69 percent.
- Ark Schools is the highest performing large multi-academy trust at A level and the highest performing multi-academy trust of any size for BTEC or similar qualifications.
- 86 percent of Ark students progressed to university, more than twice the national average of 37 percent. Of those, 74 percent went to a top-third university (vs 41% nationally) and 20 percent progressed to a top 15 university. For the first time, a Professional Pathways student secured a place at Oxford University with a Foundation Year and was the only student in the country to secure a place at Oxford through the BTEC pathway this year.

38 of Ark's 39 schools are now judged Good or Outstanding

- Five Ark schools had graded inspections by Ofsted this year. Ark Bolingbroke and Ark Priory were judged Outstanding in all areas, while Ark Charter, Ark Evelyn Grace and Ark Oval were judged Good in all areas.

Trustees' report (including strategic report)

Year to 31 August 2025

Strategic report: achievements and future plans (continued)

The year in summary (continued)

Ark's enrichment programmes are improving student wellbeing and providing opportunities to progress

- Ark Music is a dedicated enrichment programme that aims to give every Ark student a life enriched by music. This year, 4,000 students took part in free music-making activities beyond core music lessons through the programme. Ark students were two times more likely to take music at GCSE than the national average (8% v 4%) and 81 percent of music GCSE students from disadvantaged backgrounds gained at least a 4+ (v 51% nationally). More than 700 students took part in Ark Music's 2025 Gala at the Barbican.
- Ark Sport was launched in 2022 so that every child attending an Ark school could develop a love of movement and find a sport that they enjoy. This year, 2,750 students took part in Ark's network-wide competitions and 177 have been selected for scholarships in athletics, football and basketball.
- Ark Culture was launched in Ark's Hastings schools in 2024 so that every child attending an Ark school can have a rich arts and cultural education. This year, the programme expanded to schools in Portsmouth, reaching a total of 4,700 students through 130 artist-led workshops and performances across both regions.

Increased provision is available for students with higher levels of need

- Ark's Special Educational Needs and Disabilities (SEND) strategy launched in July with a focus on early identification, high-impact quality-first teaching and increasing SEND expertise across all levels of the organisation.
- Three specialist provisions for students with SEND have been opened at Ark Brunel, Ark Burlington Danes and Ark Acton. They will provide local provision to students who otherwise may have had to travel a significant distance to access specialist support.
- More than 3,500 students were supported with their mental health this year through our partnership with Place2Be. School staff have been able to access Place2Think, a confidential space run by a qualified clinician.

Our schools and the wider work of Ark

Ark's wider work as a charity continued to benefit Ark Schools this year.

Ark Start

- Ark Start is our early years venture, aiming to ensure every child has access to an excellent early education and starts primary school ready to thrive. Ark Start is now a network of six nurseries. Three new sites opened in Autumn 2024, including our first site at a non-Ark school.

Trustees' report (including strategic report)

Year to 31 August 2025

Strategic report: achievements and future plans (continued)

Our schools and the wider work of Ark (continued)

Ark Start (continued)

- Since opening in 2020, Ark Start has supported more than 700 children. This year, 95 percent of Ark Start children met the Good Level of Development (GLD) measure for school readiness, compared to a national average of 68 percent. This work is also shaping early years provision and practice across the wider Ark network, where 80 percent of children in Ark nurseries achieved GLD this year.

Ark Curriculum Plus (AC+)

- Through AC+, we share the curriculum and teaching approaches that work best in Ark Schools with 733 schools nationally. 300,000 students nationally learn with an AC+ curriculum.
- English Mastery Primary was launched nationally and Maths Mastery Secondary relaunched in April 2025 to meet the evolving needs of schools. The Science Mastery programme was recognised with a 'Highly Commended for Evidence and Impact' in the BESA awards this summer.

Ark Learning Institute (ALI)

- ALI shares Ark's leading professional development approaches with the wider sector. Ark Teacher Training (ATT) is now a partner to 168 schools nationally, having formed new partnerships with local authorities and multi-academy trusts, including Lift Schools.
- In June, Ark was awarded a Research Mark Plus from the Chartered College of Teaching for a deeply embedded culture of research and evidence use across settings.

EdCity

- In 2024, we opened the doors to EdCity – a £150 million investment in west London providing facilities for learning, living and working. The campus is a non-profit partnership between Ark and Hammersmith & Fulham Council, including an office block, a nursery, Ark White City Primary Academy, Onside youth centre, an adult skills hub, and affordable housing.
- The office block is designed to bring mission-aligned organisations together to focus on improving the lives of children, especially through education. In the first year, membership at EdCity grew to more than 117 individuals and organisations, and we welcomed six other tenants: Lift Schools, Purposeful Ventures, The Ogden Trust, EducationScape, Australian Council for Educational Research (ACER) and Applicaa. More than 50 events were held during the year to foster collaboration and learning, with themes ranging from leadership and school funding to early years and cross-sector collaboration.

Trustees' report (including strategic report)

Year to 31 August 2025

Strategic report: achievements and future plans (continued)

Plans for the Future

Over the past year, we have been developing the Ark Schools strategy for the coming decade. Our aim is to see every child across the network reach their full potential, thrive at school, and flourish at the next stage. To achieve this, we have set ourselves ambitious goals for academic outcomes and equally stretching goals for thriving at school and beyond.

To support this work, we are setting out plans to strengthen the network by embedding operational excellence and improving our sustainability. We will also grow our impact by investing in innovation, expanding our group of schools, and partnering with others to increase our influence. This includes preparing for a proposed merger with Pontefract Academies Trust – a group of nine schools in West Yorkshire.

Trustees' report (including strategic report)

Year to 31 August 2025

Structure, governance, and management

Constitution

Ark Schools was established in 2004. It is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Ark Schools are also the directors of the charitable company for the purposes of company law. Ark Schools' sponsor charity, Absolute Return for Kids (referred to within these accounts as 'Ark'), provides a separate annual report and accounts on its work. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 2.

Member's liability

The member of the charitable company is the principal sponsor, Ark. As the member, Ark is liable to contribute a maximum of £10 to the company's assets if it should be wound up while Ark is a member or within one year after it ceases to be a member, for payment of the charitable company's debts and liabilities.

Trustees' indemnities

In accordance with normal commercial practice, Ark Schools insures its trustees against errors, negligent acts, or omissions relating to their work for Ark Schools for up to £5m on any single claim. Four trustees served as Chairs or Governors of an Ark school local governing body for all or part of the year. The reported number of trustees who are also members of a local governing body excludes honorary roles such as Chair Emeritus, where no formal governance responsibilities are held.

Method of recruitment and appointment of trustees

The articles of association require at least three trustees to hold office at any given time. The trustees who served during the year are shown on page 2. When new trustees are to be appointed, the Board approves an appropriate process and criteria for recruitment. This includes a review of the skill and capability requirements of the Board, the current needs of the trust, good practice governance for multi-academy trusts, and the requirements of the charitable company's governing documents.

Policies and procedures for the induction and training of trustees

Trustees are briefed regularly by the senior management team on educational, financial, and other Ark Schools matters through a combination of briefings at Board meetings, other sessions, visits to schools and individual meetings. When new trustees join the Board, tailored induction training is arranged to give new trustees a good understanding of the wider education context, Ark Schools' mission and aspirations, the operation of the network, and their governance responsibilities.

Trustees' report (including strategic report)

Year to 31 August 2025

Structure, governance, and management (continued)

Organisational structure

The trustees set general policy, approve the annual plan and budget, monitor performance against the plan and budget, and make major decisions about the direction of the charitable company, capital expenditure, and senior staff appointments.

The trustees delegate the day-to-day management responsibility to the senior management team led by Lucy Heller. The senior management team for the year to 31 August 2025 were Lucy Heller, Venessa Willms, Jerry Collins, Rose Dixon, Laurie Grist, Jacqueline Russell and Máire Sloman, and to the extent their costs are paid by Ark Schools, these are included in note 10 of the accounts. On 1 September 2025, following the appointment of Venessa Willms as Managing Director of Ark Schools, a new leadership team were appointed, and they are listed on page 2. The running of each individual school is delegated to its Principal.

There is a local governing body (LGB) attached to each school. The LGB provides local challenge and support to the school, reviewing and monitoring school performance data and annual school plans. The LGB also plays a key role in engaging with parents and the local community.

The organisational structure of Ark Schools' wholly owned subsidiary has been described within the "Related Parties and other Connected Charities and Organisations" section below.

Arrangements for setting key management pay and remuneration

The trustees consider that they and the senior management team comprise the key management personnel of Ark Schools in charge of directing, controlling, running, and operating the charitable company on a day-to-day basis. Lucy Heller is an employee of Ark, as disclosed in note 24. None of the trustees receive any remuneration for their services as trustees.

Ark Schools' senior management team salaries are set on appointment and follow market conditions. The Trustees approve the remuneration of the senior management team. This is reviewed and recommended to the Board by the Remuneration Committee, alongside the pay policies to be used throughout the network. The Remuneration Committee reviews and approves the salaries of Principals as well as central salary increases over £5k and all central salaries over £100k. The Chief Executive's salary is paid by Ark and decided by a subcommittee of the Ark Board.

Trustees' report (including strategic report)

Year to 31 August 2025

Fundraising

Ark Schools is supported to raise funds by a small team of professional fundraisers employed by our sponsor charity, Ark. Ark fundraises from a defined list of individuals, companies, and charitable trusts and foundations. This list is carefully considered, and approaches are only made to those we already have a connection to, or we think may have an interest in Ark's work. Ark does not conduct mass mailing or telephone campaign fundraising and does not outsource fundraising activities. Our schools conduct their own fundraising and may use fundraising platforms such as Just Giving to promote specific school campaigns. Donor data is handled securely and with care in accordance with statutory obligations. Ark is a member of the Fundraising Regulator and complies with advice and guidance set by it. Ark has never received any fundraising complaints.

Employee involvement

Ark Schools is a collegiate network, encouraging staff contributions at all levels and close collaboration between the schools. Principals meet regularly to share knowledge and good practice. The Ark Schools training programme provides information and access to internal and external professional development and support. Network days are held for subject specific training. New staff are fully inducted, and teachers take part in training before the start of and during each school year. Staff surveys are conducted on an annual basis and the feedback shared across the network and with trustees.

Disabled employees

Ark Schools ensures that training, career development, and promotion opportunities are available to all employees. Applications for employment by disabled people are given full and fair consideration. When an employee becomes disabled, we make every reasonable adjustment to support their continued employment and ensure their needs are met with dignity and care. Some school buildings have restricted access in areas that have yet to be modernised; in such cases, the schools manage access through room allocations. Modernised and new buildings are designed to comply with statutory regulations for disabled access.

Trustees' report (including strategic report)

Year to 31 August 2025

Related Parties and other Connected Charities and Organisations

The following are connected organisations within the meaning of the latest Accounts Direction issued by the Department for Education:

- Absolute Return for Kids ('Ark') – Company no. 04589451, Charity no. 1095322 (see note 23)
- Ark UK Programmes – Company no. 05932797, Charity no. 1137932 (see note 23)
- Ark Academies Projects Ltd – Company no. 04101629 (see note 23 and below)
- EdCity Office – Company no. 11596797, Charity no. 1184547 (see note 23)
- EdCity Management Company Limited – Company no. 11528726 (see note 23)
- EdCity Development Limited – Company no. 1151870 (see note 23)

Ark Academies Projects Limited is a wholly owned trading subsidiary of Ark Schools. The company's principal activity is the provision of nursery education and the letting of facilities at several schools operated by Ark Schools. The results of the trading subsidiary have been consolidated in arriving at the group figures contained in these financial statements.

EdCity Office, EdCity Management Company Limited and EdCity Development Limited are Special Purpose Vehicles which were established to manage the EdCity project. Ark (company no. 04589451) is the sole member of these companies and a shareholder. Ark UK Programmes (company no. 05932797) is a 100 percent subsidiary of Ark.

Engagement with parents, students, and the community

Student voice is a regular part of school life and channels of communication are available to parents both at school and trust level. There are two parent governor spaces on each LGB providing an additional layer of engagement. Consultations are held as necessary both at school and community level before decisions are taken.

Engagement with suppliers and other business relationships

Ark Schools has a procurement code of practice which defines the processes that the organisation must follow to tender for new or existing contracts. All contracts over £5,000 are subject to a competitive procurement process. Decision making follows our Decision-Making Framework and Financial Scheme of Delegation, which is overseen by our Risk and Audit Committee. We follow the guidelines set out in the Academies Trust Handbook, including ensuring that all trustees and local governors fully disclose any interests with details published on our website where relevant.

Trustees' report (including strategic report)

Year to 31 August 2025

Promoting the success of Ark Schools

In making decisions, the trustees and senior management team aim always to work towards giving children and young people the best start in life. In doing this, we are mindful of the pressures on our teaching and operational staff at schools and in network roles. Our schools are often at the heart of our communities, and we encourage interaction at a local community level. We strive for the highest standard of conduct and are always mindful to follow the seven principles of public life.

Trustees' report (including strategic report)

Year to 31 August 2025

Streamlined energy and carbon reporting

The Energy and Carbon Reporting Regulations came into force on 1 April 2019. As the trust consumes more than 40,000 kWh of energy, we report below our energy consumption for the year to 31 August 2025.

UK Greenhouse gas emissions and energy use data	2024/25	2023/24
Energy consumption used to calculate emissions (kWh)	32,127,785	34,857,225
Energy consumption breakdown (kWh) (optional)		
· gas	19,219,823	20,275,389
· electricity	12,644,962	14,319,917
· transport fuel	263,000	261,919
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	3,516.46	3,708.37
Owned transport – mini-buses	24.21	20.47
Total	3,540.67	3,728.84
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	2,238	2,965
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee-owned vehicles	39.10	41.91
Total gross emissions in metric tonnes CO2e	5,817.93	6,735.75
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.19	0.22
Pupil Numbers	30,154	30,424

Quantification and reporting methodology

We follow the Government's 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Trustees' report (including strategic report)

Year to 31 August 2025

Streamlined energy and carbon reporting (continued)

Measures taken to improve energy efficiency

Ark Schools continues to implement its overarching decarbonisation strategy, launched in 2019, with the ambition to reduce electricity and gas carbon emissions by 75 percent by 2030 and to achieve net zero carbon emissions by 2035 as part of our ten-year strategy. To support these objectives, we have undertaken comprehensive energy surveys across all schools and are actively delivering a programme of LED lighting upgrades and photovoltaic installations. All our schools are equipped with smart meters, enabling accurate monitoring and helping us to target reduced consumption. We also continue to leverage AI technology to optimise energy performance and support the management of our Building Management Systems. We are pleased to have achieved measurable reductions in energy usage and carbon emissions this year.

Our future plans include accelerating the rollout of solar installations, exploring battery storage solutions, and expanding AI-driven energy optimisation to additional schools. The Energy Manager continues to work closely with our schools to embed sustainable practices and deliver ongoing improvements.

Trade union facility time

Trade union facility time is reported for the period 1 April 2024 to 31 March 2025, as per the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
41	41

Percentage of time spent on facility time

Percentage of time	Number of employees
0% of working hours	10
1 to 50% of working hours	31
51 to 99% of working hours	0
100% of working hours	0

Percentage of pay bill spent on facility time

Total cost of facility time	Percentage of pay bill spent on facility time	Total pay bill
£4,732	0%	£226.9m

Trustees' report (including strategic report)

Year to 31 August 2025

Trade union facility time (continued)

Paid trade union activities

The annual number of hours spent on paid facility time is 168. The number of hours spent on paid trade union activities is zero. The percentage of total paid facility time hours spent on paid trade union activities was zero percent.

Going concern

Despite the challenges of the current economic climate, the trustees are confident that Ark Schools has sufficient resources to continue to operate for the foreseeable future. The trustees have looked at the financial position, including income, expenditure, and reserves, and the potential impact on our beneficiaries, and employees. While we acknowledge the increased cost pressures on the day-to-day operations, we do not consider these to be a cause for material uncertainty in respect of Ark Schools' ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis. The principal accounting policies give further information.

Trustees' report (including strategic report)

Year to 31 August 2025

Financial review

A summary of the results for the year is included in the statement of financial activities on page 41. The operational result for the year (which excludes capital income and expenditure, buildings transferred into the network, and non-cash pension adjustments in respect of defined benefit schemes) is summarised below:

Income and expenditure

Years ended 31 August	2025	2024
	£m	£m
DfE revenue grants	258.5	244.4
Other grants and income (excluding capital)	19.4	15.7
Other trading activities	3.9	3.4
Voluntary income (excluding capital)	5.5	6.6
Total operating income	287.3	270.1
Academy educational operations		
- Direct costs excluding depreciation	149.9	141.4
- Educational support costs excluding capital	128.8	126.1
- Development, Governance, and fundraising	4.5	4.1
Total operating expenditure	283.2	271.6
Net operating income	4.1	(1.5)

Financial sustainability has been a strategic priority in 2024/25, and we are pleased to say our Principals rose to the challenge, delivering not only excellent academic outcomes but generating an operating surplus of £4.1m across the network. This is an improvement of £5.6m compared to the £1.5m deficit in 2023/24. Whilst we have seen an increase in our cost base, we have had a focus in-year on identifying efficiencies to ensure sustainability. Our efficiency and effectiveness drive is fully supported by our Risk and Audit Committee, with regular reporting to our full Trustee Board. A full reconciliation of the operating result is provided at note 29 to the financial statements.

In addition to our continuing investment in education, we remain committed to ensuring all our schools are fit for purpose and that our investment in our IT and Estates infrastructure continues. Once more, our focus has been on roof and window replacements and green initiatives, and we have continued with our campaign to install LEDs and photovoltaics in our schools. We are pleased to have seen a positive reduction in our energy consumption as evidenced in our energy report. Total capital additions were £15.5m in 2024/25 (2023/24: £16.8m). While most additions were funded by capital income, some were funded by revenue reserves. Despite some of our capital spend being funded from revenue reserves, we have seen an increase in our revenue reserves of £1.0m (2023/24: £5.5m decrease).

Trustees' report (including strategic report)

Year to 31 August 2025

Financial review (continued)

Our target remains to hold school reserves at 3 percent of annual operating income for long-term security and investment in our estate and IT infrastructure. For this purpose, reserves are classified as the balance of restricted GAG reserves, capital and IT reserves, and any unrestricted reserves. We have continued to invest heavily in capital infrastructure and educational outcomes. With outcomes now secure in most of our schools, we are confident that we can secure our targeted level of 3 percent in the coming years. Our combined school and central revenue reserves are 4 percent of annual operating income (2023/24: 4.4 percent).

Summary of assets and liabilities

As at 31 August	2025	2024
	£m	£m
Fixed assets	494.4	496.3
Current assets	44.8	48.3
Current liabilities	(31.2)	(34.7)
Total assets less current liabilities	508.0	509.9
Liabilities due after one year	(1.8)	(1.8)
Pension deficit	(0.7)	(1.5)
Net assets	505.5	506.6
Represented by:		
Fixed assets fund	499.7	502.6
Pension reserve	(0.7)	(1.5)
Revenue reserves		
- Restricted	3.7	3.3
- Unrestricted	2.8	2.2
Grand total	505.5	506.6

Fixed assets have decreased to £494.4m (2023/24: £496.3m). The total fixed assets balance includes £16.5m for Ark White City Primary which opened to pupils in Autumn 2023. This new build, which is part of the EdCity development, was only possible through generous donations from Ark who fully funded the rebuild.

Ark Soane, which opened to pupils in 2022/23, is awaiting formal practical completion of their site and is currently occupying under a license to occupy. Therefore, the building is not included in fixed assets.

The pension deficit has decreased to £0.7m from £1.5m. This is a 51 percent decrease in pension liability, in line with the sector average. There has been no major change to the nature of the liabilities. The valuation is based on spot rates at 31 August 2025 and subject to stock market fluctuations.

Trustees' report (including strategic report)

Year to 31 August 2025

Financial review (continued)

36 schools would have ended the year with a pension asset. These have been capped to a nil liability position as required under FRS 102 and under the terms of funding agreements.

School capital reserves decreased by £1.5m (2023/24: £0.6m increase). These reserves are held to fund future investment in estate and IT infrastructure. All schools have ten-year IT refresh plans.

Financial outlook for 2025/26

We are grateful for the additional Schools Budget Support Grant to fund the Teachers Pay award, without which school budgets would be under even more strain. Schools are budgeting an operating surplus of over £5m in 2025/26 and we will work with them to ensure that this is delivered. We continue to review our cost base, focusing on efficiency and effectiveness, fully supported by our Risk and Audit Committee and Board. This will build on the work already done to improve the efficiency of our curriculum, catering and energy usage. We expect the level of capital spending to reduce; however, we will maintain our focus on projects to replace roofs, windows, and lighting with new LED lights and solar panels in schools.

Financial report for the year

Operating income

Total operating income was £287.3m (2023/24: £270.1m). Approximately 90 percent of operating income comes from the DfE as recurrent grants (2023/24: 90 percent). These grants and the associated expenditure are included within restricted funds in the statement of financial activities. For the year ended 31 August 2025, DfE revenue grants were £258.5m (2023/24: £244.4m) which are all restricted to core school activities.

Non-core activity is funded separately. For the year ended 31 August 2025, other grants and income were £19.4m (2023/24: £15.7m). Other trading activity, including lettings income and Ark Ayrton nursery generated £3.9m (2023/24: £3.4m). Additional voluntary income including income from the sponsor organisation, Ark, and its subsidiaries, amounted to £5.5m (2023/24: £6.6m).

Operating expenditure

Total operating expenditure for the year ended 31 August 2025 was £283.2m (2023/24: £271.6m). Direct costs excluding depreciation accounted for 53 percent (2023/24: 52 percent) of the total operating expenditure. The network continues to be supported by voluntary income for specific network programmes.

Trustees' report (including strategic report)

Year to 31 August 2025

Financial report for the year (continued)

Impact of capital items, depreciation, and pension scheme adjustments

Once voluntary income, capital grants, net asset transfers from Local Authorities, depreciation, and pension scheme adjustments were included, the outcome for the year to 31 August 2025 was a net decrease in funds of £1.1m (2023/24: net decrease in funds of £7.6m). This net decrease includes a £0.8m increase in funds in pension liability. Total income was £299.4m (2023/24: £285.1m).

Academies are funded by the DfE for both school operations and capital projects and the way income is recognised has three important consequences for Ark Schools' financial statements:

- Capital grant receipts from the DfE are recorded as income in the income and expenditure account. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (Charities SORP FRS 102), these grants are shown in the Statement of Financial Activities as restricted income under the fixed assets fund.
- Ark Schools capitalises the school buildings it leases on a long-term basis but does not receive recurring capital grants at levels that fully offset the depreciation charges on the whole estate. The restricted fixed assets fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. This leads to accounting deficits once the grant programmes are completed. These deficits do not represent a cash shortfall.
- Ark Schools is required to record any change in the attributable share of local government pension scheme surpluses or deficits, although the trustees have no control over the management of the pension funds, their financial arrangements or investment decisions. The network is required to remain a member of these pension schemes. Additionally, Ark Schools assumes the pension liability of new schools that join the network thus increasing the overall liability. Ark Schools accepts its financial responsibilities and has fully implemented the provisions of section 28 of FRS 102 relating to the pension schemes. Ark Schools understands that with effect from 18 July 2013, in the unlikely event that an academy trust ceased operating altogether, Parliament has agreed, at the request of the Secretary of State for Education, that the DfE would meet any outstanding pension liability. On 21 July 2022, the DfE reaffirmed its commitment to the guarantee, with a parliamentary minute published on the GOV.UK website.

Net assets

At 31 August 2025, net assets were £505.5m (2023/24: £506.6m) and the net book value of tangible fixed assets was £494.6m (2023/24: £496.3m). The majority of assets are long term leasehold school buildings that have been granted to Ark Schools by the owners of the freehold, typically the Local Authority, Diocese or Charitable Foundation.

At 31 August 2025, investments were £0.168m (2023/24: £0.155m). Investments relate to surplus school funds that are invested with a fund manager (see note 18).

Trustees' report (including strategic report)

Year to 31 August 2025

Financial report for the year (continued)

Reserves policy and financial position

Restricted revenue reserves relate to unspent income that is school or project specific.

Total funds at 31 August 2025 were £505.5m (2023/24: £506.6m), which consisted of £502.7m restricted funds (2023/24: £504.4m) and £2.8m unrestricted funds (2023/24: £2.2m). Of the total restricted funds, £3.7m (2023/24: £3.3m) represents revenue reserves which are restricted by the donor for specific schools or projects.

The level of available reserves, defined as unrestricted reserves plus restricted GAG and other donations, is kept under close review by the trustees as there is a need for schools to continue investing in their capital and infrastructure while holding adequate working capital.

The trustees believe that schools should target an amount, equivalent to at least 3 percent of their annual operating income, for long-term security and for capital and IT infrastructure projects to ensure our school estate remains fit for purpose. These reserves are in addition to reserves held centrally. We allow schools to include their capital and IT reserves in this target, as we encourage schools to actively set aside funds for these purposes. Currently, 18 (2023/24: 16) schools fail to meet this threshold and we are working with them as part of our long-term planning process to improve the level of reserves they hold.

During the year, we transferred £3.0m (2023/24: £4.0m) from restricted funds to fund capital expenditure. Each school is encouraged to have a dedicated IT reserve, which in aggregate total of £2.2m (2023/24: £3.7m). This amount, alongside capital reserves, is included in the restricted fixed assets fund (see note 16 to the financial statements). This is to ensure schools have adequate funds available to invest in IT infrastructure.

Included within restricted funds is the pension reserve deficit of £0.7m (see note 20) (2023/24: £1.5m), as noted earlier in this report. The local government pension schemes to which this relates are funded schemes and therefore employers' pension contributions fluctuate with triennial valuations of the deficit to be funded. As noted in the Trustees' Report of previous annual accounts, it is unlikely that Ark Schools will be liable for lump sum amounts and the increased pension contribution will be met through budgeted annual income. Accordingly, there is no direct impact on Ark Schools' free reserves in recognising the deficit.

Individual school deficits

12 schools had a deficit in their revenue reserves at the end of 2024/25 (2023/24: 15).

Arrangements are in place to support these schools by way of intra-academy loans with careful and strict monitoring of their financial budget and performance. All schools have detailed five-year plans, and we expect all to return to financial sustainability over the medium term. The reserves of all schools are detailed in note 16.

Trustees' report (including strategic report)

Year to 31 August 2025

Financial report for the year (continued)

Investment policy

All surplus funds are invested to generate the best possible returns without incurring undue risk. Mostly, this is invested with our commercial banking partner through current and instant access accounts or short-term investments with other banking partners via the money market which can generate higher levels of return. This year, we changed our internal processes on treasury management of network cash to enable us to place more funds on short term deposit and therefore maximise returns. In addition, Ark Schools can invest funds via Ark UK Programmes through JP Morgan on a longer-term basis. Funds can be added to this at any time, but only when they are not required for at least 12 months.

Risks and uncertainties

The trustees have assessed the major risks and uncertainties to which Ark Schools is exposed. During the academic year, alongside our work on our ten year strategy, the Ark Schools risk register was fully updated and subject to detailed review by the Risk and Audit Committee. Particular attention was paid to risks around staff retention, internal checks and balances, safeguarding, financial sustainability and cyber risk.

Trustees reviewed and discussed the Strategic and Operational Risk Registers, particularly focusing on safeguarding and financial pressures. The trustees have also considered their responsibilities to ensure that the Trust's estate is safe, well-maintained, and complies with relevant legislation, by reviewing risk registers and regularly receiving updates on the estate through the Risk and Audit Committee.

Risk management

The trustees are responsible for identifying risks faced by the charitable company, establishing procedures to mitigate these risks, and ensuring that employees are aware of these procedures and of the implications of failing to implement them. They are satisfied that these procedures are consistent with guidelines issued by the DfE and the Charity Commission.

The trustees receive regular reports on key risks including educational outcomes, safeguarding, school operations, financial health, and project delivery. Ark Schools has an effective system of internal financial control, and this is explained in more detail in the governance statement. Operating procedures and internal controls are regularly reviewed and updated by the senior management team with oversight from trustees in response to ongoing delivery and in line with all relevant guidance. Internal audit reports are used to inform Ark Schools' risk register and the internal audit programme for the year.

During the 2024/25 financial year, trustees continued to review the internal control environment across the education, operations, and finance teams. The trustees also continued to receive regular reports according to the Board assurance framework encompassing oversight of provision across safeguarding, HR, finance, procurement, health and safety, fire safety, IT and Cyber, data protection and information security.

Trustees' report (including strategic report)

Year to 31 August 2025

Risks and uncertainties (continued)

Risk management (continued)

The Ark Schools policy framework and a range of good practice resources made available to schools by the governance team was regularly refreshed to provide continued clarity around workflows, processes and procedures, and to ensure consistency across the network. Where significant risks remain, the Board has ensured that, where possible, Ark Schools maintains adequate insurance cover.

The trustees have assessed the major risks and uncertainties to which Ark Schools is exposed and confirm that these are as follows:

- The failure of school leadership, which leads to the failure of an individual school and the possibility of the school being re-brokered to another Trust. This impacts on Ark Schools' ability to grow as a Trust. To mitigate this, we have a regional structure in place to ensure there is appropriate oversight and an internal assurance system of monitoring visits across the Trust.
- The shortage of qualified teachers, with many of our schools working hard to recruit the specialisms they require. Staff retention and turnover continue to be high, and it is not uncommon to have vacancies in key roles. We have expanded Ark Teaching Training and developed the Ark Learning Institute, providing new learning and development opportunities. We have also piloted flexible working within schools and provided wellbeing support through the Employee Assistance Programme. A new approach to managing recruitment agencies under preferred supplier agreements has been implemented.
- The risk of a failure of safeguarding, pastoral and mental health support systems. We have dedicated training for our Designated Safeguarding Leads, safeguarding governors, and wider staff. The Ark Schools Board has a safeguarding link trustee. Annual school audits are undertaken by the Head of Safeguarding and regular reporting, and analysis of trends ensure we constantly review the effectiveness of our systems of control. All schools have a Senior Mental Health Lead who is responsible for coordinating a whole school strategy and approach for mental health. We also have implemented SENSO software monitoring on our students' digital devices.
- Demographic trends that, despite the overall increase in the school population, mean that some Ark schools are at risk of being undersubscribed. Ark Schools continues to work with local communities and encourages schools to work together to mitigate the impact of these changes. We are also working to diversify our estate to utilise any surplus space and decrease operational costs.

Trustees' report (including strategic report)

Year to 31 August 2025

Risks and uncertainties (continued)

Risk management (continued)

- Cyber-attack, given the increasing number of attacks within the sector. We have worked to ensure our systems are protected and backed up and that if we need to restore systems, this can be done quickly and efficiently. Multi-factor authentication has been implemented, and we continue to train our staff on the risks presented including those around phishing activity. We continue to review our set up and procedures to ensure systems are robust and have plans to roll out additional control measures in 2025/26. We are pleased to receive Cyber Essentials accreditation for all 39 of our schools as well as our central office.
- The effect of increasing costs, many of which are unfunded. We have again seen significant increases in support and teaching staff costs, our electricity and gas rates per kwh and particularly increases in food, print and paper costs. While we are grateful for the additional government income to support cost increases, as a network these challenges remain considerable.
- The risk of reserves being further depleted due to financial overspends. All schools have plans to achieve financial sustainability which are continually reviewed and are set targets to achieve. Any item of exceptional spend, including spend on capital, must be authorised via a project expenditure request which itemises how the project is to be funded.
- Supplier fraud, especially due to the increased sophistication of attempts, continues to concern the trustees. All new suppliers must be set up centrally and we are constantly reviewing our due diligence procedures to ensure the integrity of our supplier base.
- The quality of our estate. Our asbestos registers are reviewed as part of our annual health and safety audits. In addition, trustees are aware that RAAC remains at Ark Boulton in the kitchen areas. We continue to work with the DfE on mitigation for the final RAAC removal. We undertake detailed condition survey reports and annual health and safety audits, with outcomes shared with the Risk and Audit Committee.

Financial risk management objectives and policies

Ark Schools has cash balances and other working capital balances. The main risk is liquidity risk.

Liquidity risk

The charitable company manages its cash resources, including sufficient working capital, so that all its operating needs will be met even if it is unable to access short-term borrowing. Surplus cash is invested in accordance with the investment policy.

Interest rate risk

In accordance with DfE requirements, Ark Schools is not able to enter debt finance arrangements without the prior approval of the DfE. Trustees continue to monitor interest rate risk.

Other risks

The group is exposed to price risks but is funded by the Government on the same basis as other schools and budgets its expenditure accordingly. Nearly all funding comes from the Government, so credit risk is negligible.

Trustees' report (including strategic report)

Year to 31 August 2025

Auditor

So far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the Board of trustees, on 16 December 2025 and signed on the Board's behalf by:

A handwritten signature in dark ink, appearing to read 'C. Alexandrou', written in a cursive style.

Trustee - Christina Alexandrou

Governance statement Year to 31 August 2025

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Ark Schools has an effective and appropriate system of financial and management control. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The trustees have delegated to the Chief Executive, as Accounting Officer, responsibility for maintaining this system and for ensuring that it meets the requirements of the funding agreement between Ark Schools and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board any material weaknesses or breakdown in internal control. The trustees also receive the Academy Trust Handbook each year and letters to the Accounting Officer from the DfE.

Governance

The information here supplements the Trustees' report and the statement of Trustees' responsibilities. The Board has formally met five times during the last year and continued to operate effectively, reviewing a full range of reports as set out in the annual agenda plan.

The Board maintains additional oversight of Ark Schools' education and financial delivery and public funds in between meetings, including the review of management accounts, through updates on key strategic projects provided by correspondence, and regular meetings between the Chair and Chief Executive.

Trustee	Number of meetings attended	Out of a possible
Christina Alexandrou (Chair)	5	5
Fiona Forbes	5	5
Lord Fink	3	5
Gerard Griffin	5	5
Lucy Heller	5	5
Richard King	4	5
Claire Musgrave (Appointed 25 March 2025)	2	2
Anthony Williams	5	5

Claire Musgrave was appointed as a Trustee of Ark Schools on 25 March 2025.

In addition to the Board meetings, Ark Schools operates a Risk and Audit Committee and a Remuneration Committee, each chaired by one of the trustees (see below). These Committees provide significant scrutiny outside of Board meetings and regularly report significant matters to the Board.

Conflicts of interest

Ark Schools manages its Conflicts of Interest policy by publishing a Register of Interests for all trustees on its website, regularly reviewing its Conflicts of Interest policy, and Declarations of Interests being a standing item on the agenda of each Board and Committee meeting. The Risk and Audit Committee also reviews and approves any Related Party Transactions in relation to other entities related to Ark Schools.

Governance statement Year to 31 August 2025

Committees

The Risk and Audit Committee is a sub-committee of the main Board. It supports the Board to oversee the controls environment and risk management within the network. The Committee exists to secure probity and efficiency in the management and expenditure by Ark Schools of income from all sources: public funding, donations and investment, and commercial income, and review compliance with the DfE's Academy Trust Handbook.

Attendance at the Risk and Audit Committee meetings in the year was as follows:

Committee member	Number of meetings attended	Out of a possible
Richard King (Chair)	6	6
*Stephen West	6	6
Anthony Williams (Appointed 1 September 2024)	6	6
*Alan Young (Appointed 28 November 2024)	5	5
<i>*Denotes Non-Executive Co-Opted Committee Member</i>		

Anthony Williams, a trustee of Ark Schools, was appointed to the Risk and Audit Committee on 1 September 2024. Alan Young was appointed as a non-executive co-opted Committee member on 28 November 2024.

In July 2025, the Board formalised the Remuneration Committee, acknowledging it as a subcommittee. All members are trustees (membership previously echoed that of the Risk and Audit Committee). The Committee's role is to ensure that decisions on pay and benefits for staff are fair, transparent, represent value for money, and comply with regulations. It oversees pay policies, approves salaries for Principals and Regional Directors, and sets the annual pay award for the central team. The Committee also reviews Executive Team remuneration and recommends this to the Board for approval.

Attendance at the Remuneration Committee meetings in the year was as follows:

Committee member	Number of meetings attended	Out of a possible
Christina Alexandrou (Appointed 10 July 2025)	1	1
Fiona Forbes (Appointed 10 July 2025)	1	1
Richard King (Chair – Appointed 10 July 2025)	1	1

All members of the Remuneration Committee are trustees of Ark Schools and were appointed on 10 July 2025.

Governance reviews

We continue to review skills on an annual basis across our Board, Committees, and LGBs to ensure that we have the right support for our schools. The Board completes a self-evaluation annually which is led by our Chair and is based on the Confederation of School Trusts guidance.

Governance statement Year to 31 August 2025

Review of value for money

As Accounting Officer, the Chief Executive has responsibility for ensuring that Ark Schools delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes as well as estates safety and management, achieved in return for the taxpayer resources received. The Accounting Officer considers how the charitable company's use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

Ark Schools has delivered and improved value for money during the year by:

1) Delivering results

Our schools provide a rich education across all subjects. We are particularly proud of our strong student performance with our disadvantaged students achieving significantly ahead of the national average. Students receive strong support as they make decisions about careers and higher education with 86 percent of sixth formers going on to university this year. We also offer music, sport, learning outdoors and other activities alongside the core curriculum. Our vision remains to ensure that all children have access to a great education and real choices in life.

2) Cost & budget management

We have invested in strong regional finance teams to improve the quality and accuracy of budgeting and forecasting in schools, to ensure Principals have the information they need to make informed decisions. We actively issue benchmarking information and share learning. Working closely with Principals and Regional Directors, we have continued to develop and enhance our integrated curriculum financial planning model to assess the efficiency and effectiveness of staffing structures to deliver the best curriculum with the funding available. All schools have five-year plans, and the expectation is that they will be financially sustainable over the medium term. We are actively working with schools to reduce supply, catering costs, and energy consumption and to look at ways our operations can become more efficient.

3) Procurement & financial controls

The Ark Schools procurement code of practice requires schools to make purchases from approved suppliers to guarantee the best possible value for money. We have a central procurement team who support our schools in achieving value for money. Each year, we review all our spend and look at ways we can improve the management of our cost base either through new regional or network contracts or retendering existing agreements.

Ark Schools was awarded the CIPS (Chartered Institute of Procurement & Supply) Procurement Excellence Award this year. This recognition, part of a DfE initiative to strengthen commercial capability in schools, confirms that our procurement policies and procedures meet CIPS standards.

4) Fundraising

Ark continued to raise funds for our schools from a wide range of donors. This year, £4.4m was raised for our schools' curriculum programmes, academic intervention, and mental health. All costs of fundraising are covered by Ark.

Governance statement Year to 31 August 2025

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore provide reasonable but not absolute assurance of effectiveness. It is based on established processes designed to identify and prioritise risks, to assess the probability and possible impact of significant risks, and to manage them efficiently, effectively, and economically. The system of internal control operated during the year to 31 August 2025 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The trustees have reviewed the main risks to Ark Schools together with the operating, financial and compliance controls in place to mitigate these risks. The trustees are of the view that there was a robust process for identifying, evaluating, and managing significant risks in place for the year to 31 August 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the trustees.

The Risk and Control Framework

Ark Schools' system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. It includes:

- comprehensive financial monitoring systems with an annual budget and periodic financial reports showing performance against budgets or forecasts which are reviewed and, where relevant, approved by the Board.
- regular reviews by the Board and Risk and Audit Committee of major purchase plans, system updates, capital works and expenditure.
- setting targets to measure financial and other performance.
- delegation of authority and segregation of duties.
- identification and management of risks.

Ark Schools appoints an independent audit firm to carry out a programme of internal audit visits each year. The use of an external provider to complement audits undertaken by Ark Schools' Heads of Department reflects the size and scale of Ark Schools' operations.

The trustees approved the appointment of Beever and Struthers as internal auditors at their meeting on 1 December 2022 to provide independent assurance to the Board that its financial and other controls and risk management procedures were operating effectively. Reports are made available to the Board, Risk and Audit Committee, and LGBs of relevant schools. In 2024/25, 12 schools were visited, testing 21 core controls. While some improvements to procedures have been recommended, no material control weaknesses were reported this year.

Governance statement Year to 31 August 2025

The Risk and Control Framework (continued)

Detailed internal control checks are performed as part of the programme of visits and include the following:

- Checks on key areas of the Balance Sheet and Income and Expenditure Account.
- Review of month-end controls to ensure key reconciliations and financial reporting were completed and reviewed in line with procedures.
- Observation as to whether the school has entered into any education service level agreements with suppliers and the controls over those contracts.
- Review of payroll controls including sample testing of new starters, leavers, amendments, absences, and monthly approvals to ensure accuracy and compliance with procedures.

The Beever and Struthers internal audit report is one of several sources of assurance obtained by the Risk and Audit Committee from internal and external sources. Other reports include but are not limited to: compliance of our Single Central Register, the condition of our buildings from independent building surveyors, and on fire safety and health and safety compliance from external consultants.

During the year, the trust undertook a retendering exercise for its internal audit services. Following a competitive procurement process, Bishop Fleming were appointed as the new internal auditors, with their engagement commencing from the 2025/26 financial year.

Review of Effectiveness

As Accounting Officer, the Chief Executive is responsible for reviewing the effectiveness of the system of internal control. During the year, this review has been informed by:

- the work of the internal and external auditors.
- the financial management and governance self-assessment process.
- the work of the staff responsible for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Risk and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Conclusion

Based on the advice of the Risk and Audit Committee and the Accounting Officer, the Board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the Board of trustees on 16 December 2025 and signed on its behalf by:



Trustee - Christina Alexandrou



Accounting Officer - Lucy Heller

Statement of regularity, propriety, and compliance Year to 31 August 2025

As Accounting Officer of Ark Schools, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the trust's funding agreement with DfE, and the requirements of the Academy Trust Handbook, including responsibilities for estates safety and management. I have also considered my responsibility to notify the academy trust board of trustees and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management.

I confirm that I, and the board of trustees, are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the framework of authorities.

I confirm that no instances of material irregularity, impropriety or non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and DfE.

A handwritten signature in black ink, appearing to read 'Lucy Heller'.

Accounting Officer - Lucy Heller

Date: 16 December 2025

Statement of Trustees' responsibilities

31 August 2025

The trustees (who act as the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the DfE, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 charitable company and the group and of the income and expenditure of the group 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 the Charities' Statement of Recommended Practice (the Charities' SORP) 2019 and the Academies Accounts Direction 2024 to 2025.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable United Kingdom Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the charitable company and financial information included on the charitable 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 order of the members of the Board of trustees and signed on its behalf by:



Trustee - Christina Alexandrou

Date: 16 December 2025

Independent auditor's report to the member of Ark Schools

31 August 2025

Opinion

We have audited the financial statements of Ark Schools (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2025 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2024 to 2025.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2025, and of the group's income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2024 to 2025.

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 group 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or charitable parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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.

Independent auditor's report to the member of Ark Schools

31 August 2025

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.

We have nothing to report in this regard.

Opinions on other matters 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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic 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 group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- ◆ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Independent auditor's report to the member of Ark Schools

31 August 2025

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and the charitable parent 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 trustees either intend to liquidate the group or the charitable parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2024 to 2025, the Academy Trust Handbook 2024, and the academy trust's funding agreement with the Department for Education (formerly ESFA) as well as legislation pertaining to safeguarding in the UK;

Independent auditor's report to the member of Ark Schools

31 August 2025

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and the subsidiary company directors' meetings and papers provided to the trustees and directors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the Department for Education, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings and subsidiary company directors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, Department for Education (formerly ESFA) and HMRC; and

Independent auditor's report to the member of Ark Schools

31 August 2025

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the Department for Education, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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.

Use of our report

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.



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor 130
Wood Street
London
EC2V 6DL

18 December 2025

Independent reporting accountant's report on regularity

31 August 2025

Independent reporting accountant's assurance report on regularity to Ark Schools and the Secretary of State for Education

In accordance with the terms of our engagement letter dated 16 June 2025 and further to the requirements of the Department for Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Ark Schools during the period 1 September 2024 to 31 August 2025 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

This report is made solely to Ark Schools and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ark Schools and the Secretary of State for Education those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ark Schools and the Secretary of State for Education, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer of Ark Schools and the reporting accountant

The accounting officer is responsible, under the requirements of Ark School's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament, and that the financial transactions conform to the authorities which govern them. Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2024 to 31 August 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by DfE, which requires a limited assurance engagement, as set out in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Independent reporting accountant's report on regularity

31 August 2025

Approach (continued)

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2024 to 31 August 2025 has not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.



Buzzacott Audit LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

18 December 2025

Consolidated statement of financial activities

Year to 31 August 2025

		Restricted funds				2025	2024
		Unrestricted funds	General funds	Pension reserve	Fixed assets fund	Total funds	Total funds
		£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Donations and capital grants	2	—	4,984	—	11,526	16,510	17,812
Other trading activities	3	1,867	1,335	—	—	3,202	3,035
Investments and interest receivable		667	5	—	—	672	322
Income from charitable activities							
. Funding for Ark Schools' educational operations	4	62	276,189	—	—	276,251	259,804
. Project management grants	5	—	789	—	—	789	307
. Teaching School		—	—	—	—	—	543
Other income	6	—	1,354	597	—	1,951	3,293
Total income		2,596	284,656	597	11,526	299,375	285,116
Expenditure on:							
Raising funds	8a	1,865	—	—	2	1,867	1,950
Charitable activities							
. Ark Schools' educational operations	8b	104	278,763	—	17,466	296,333	288,269
. Development costs	8d	22	2,416	—	—	2,438	1,963
. Teaching School	8e	—	—	—	—	—	443
Total expenditure	7	1,991	281,179	—	17,468	300,638	292,625
Net income (expenditure) before investment gains and losses							
		605	3,477	597	(5,942)	(1,263)	(7,509)
Net gains on investments		—	13	—	—	13	17
Net income (expenditure) before transfers		605	3,490	597	(5,942)	(1,250)	(7,492)
Gross transfers between funds	16	131	(3,170)	—	3,039	—	—
Net income (expenditure)		736	320	597	(2,903)	(1,250)	(7,492)
Other recognised gains and losses							
Actuarial gains (losses) on defined benefit pension schemes	20	—	—	185	—	185	(129)
Net movement in funds		736	320	782	(2,903)	(1,065)	(7,621)
Fund balances brought forward at 1 September 2024	16	2,194	3,276	(1,529)	502,609	506,550	514,171
Fund balances carried forward at 31 August 2025		2,930	3,596	(747)	499,706	505,485	506,550

All the group's activities derived from continuing operations. All recognised gains and losses are included in the above statement of financial activities. For management purposes, the operational surplus or loss for any given year is deemed to equal net (expenditure) income before transfers, in respect of the unrestricted funds and the restricted general funds. For the year ended 31 August 2025, this equated to an operational surplus of £4,082k which is made up of a £605k surplus in unrestricted funds and a £3,477k surplus in restricted general funds (2023/24: operational deficit of £1,523k). See note 29 for reconciliation.

Balance sheets

		2025		2024	
		Group £'000	Ark Schools £'000	Group £'000	Ark Schools £'000
Fixed assets					
Tangible assets	12	494,274	494,268	496,179	496,182
Investments		168	168	155	155
		494,442	494,436	496,334	496,337
Current assets					
Debtors	14	22,714	24,508	29,562	31,171
Short term deposits		10,304	10,304	3,197	3,197
Cash at bank and in hand		11,731	11,630	15,582	15,535
		44,749	46,442	48,341	49,903
Creditors: amounts falling due within one year	15	(31,159)	(32,846)	(34,796)	(36,361)
Net current assets		13,590	13,596	13,545	13,542
Total assets less current liabilities		508,032	508,032	509,879	509,879
Creditors: amounts falling due after one year	15	(1,800)	(1,800)	(1,800)	(1,800)
Net assets excluding pension liability		506,232	506,232	508,079	508,079
Pension scheme liability	20	(747)	(747)	(1,529)	(1,529)
Net assets including pension liability		505,485	505,485	506,550	506,550
The funds of the charity					
Income funds					
Restricted funds	16				
. Fixed assets fund		499,706	499,706	502,609	502,609
. General funds		3,596	3,596	3,276	3,276
. Pension reserve		(747)	(747)	(1,529)	(1,529)
		502,555	502,555	504,356	504,356
Unrestricted funds	16				
. General funds		2,685	2,685	1,949	1,949
. Designated funds		245	245	245	245
		2,930	2,930	2,194	2,194
		505,485	505,485	506,550	506,550

Approved by the Board of trustees and signed on their behalf by:



Christina Alexandrou

Date: 16 December 2025

Company registration number:

05112090

Consolidated statement of cash flows

Year to 31 August 2025

	Notes	2025 £'000	2024 £'000
Net cash flows from operating activities			
Net cash provided (used in) by operating activities	A	6,588	(19,972)
Cash flows from investing activities	B	(10,439)	(494)
Change in cash and cash equivalents in the reporting period		(3,851)	(20,466)
Cash and cash equivalents at 1 September 2024	C	15,582	36,048
Cash and cash equivalents at 31 August 2025	C	11,731	15,582

A Reconciliation of net income (expenditure) to net cash flow from operating activities

	2025 £'000	2024 £'000
Net expenditure (as per the statement of financial activities)	(1,263)	(7,509)
Adjustments for:		
Capital funding grants	(11,526)	(14,184)
Defined benefit pension scheme service cost adjustment (note 20)	(487)	(695)
Defined benefit pension scheme finance cost adjustment (note 20)	(110)	(80)
Depreciation (note 12)	17,435	20,183
Loss on disposal of tangible fixed assets	—	1
Interest receivable	(672)	(322)
Decrease (increase) in debtors	6,848	(7,026)
(Decrease) in creditors	(3,637)	(10,340)
Net cash provided by (used in) operating activities	6,588	(19,972)

B Cash flows from investing activities

	2025 £'000	2024 £'000
Purchase of tangible fixed assets	(15,530)	(16,830)
Capital grants received	11,526	14,184
Investment income received	672	322
Movement in short term deposits	(7,107)	1,830
Net cash (used in) investing activities	(10,439)	(494)

C Analysis of cash and cash equivalents

	At 31 August 2025 £'000	At 31 August 2024 £'000
Cash at bank and in hand	11,731	15,582
Total cash and cash equivalents	11,731	15,582

Consolidated statement of cash flows

Year to 31 August 2025

D Analysis of changes in net debt

	At 1 September 2024 £'000	Cash flows £'000	At 31 August 2025 £'000
Cash and cash equivalents			
Cash at bank and in hand	15,582	(3,851)	11,731
Debt			
DfE loan	(1,800)	—	(1,800)
	13,782	(3,851)	9,931

Principal accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements, and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements have been prepared under the historical cost convention (unless otherwise stated in the relevant accounting policies below or the notes to the financial statements) in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2024 to 2025 issued by the DfE (formerly ESFA), the Charities Act 2011 and the Companies Act 2006.

Ark Schools meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling to the nearest thousand pound.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet includes the financial statements of Ark Schools and its wholly owned trading subsidiary, Ark Academies Projects Limited, made up to the balance sheet date.

No separate statement of financial activities has been presented for Ark Schools alone, as permitted by section 408 of the Companies Act 2006.

Assessment of going concern

The trustees assess whether the use of going concern is appropriate, i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of Ark Schools to continue as a going concern.

The trustees make this going concern assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. Despite the challenges from the current economic climate, the trustees have concluded that Ark Schools has adequate resources to continue in operational existence for the foreseeable future. The trustees have looked at the financial position, including income, expenditure, and reserves, on our beneficiaries, and employees. While the increased cost pressures on the day-to-day operations is acknowledged, action has been taken to ensure the network has an operating surplus going forward. There is no material uncertainty in respect of Ark Schools' ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

Income

All income is recognised when Ark Schools has entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Principal accounting policies

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable, and the amount can be reliably measured.

Capital grants

Capital grants are recognised when the trust is deemed to be entitled to the funds subject to any conditions being met. Such conditions may include Ark Schools approving and contractually committing to the project being funded; and sufficient funding being secured by Ark Schools to fully fund the capital project. Capital grants are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to Ark Schools which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable, and it can be measured reliably.

Trading activities and other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent Ark Schools has provided the goods or services.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions, there is no unconditional entitlement to the income, and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant (GAG) is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Transfer on conversion

Schools joining the Ark Schools network transfer identifiable assets and liabilities and the operation of the predecessor school. The assets and liabilities transferred have been valued at their fair value, being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. The amounts are recognised under the appropriate balance sheet categories at the point when the risks and rewards of ownership pass to Ark Schools. A corresponding amount is recognised as donations income in the statement of financial activities and analysed under unrestricted funds, restricted general funds, and restricted fixed asset funds.

Principal accounting policies

Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the Ark Schools network, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to Ark Schools, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the Ark Schools network within donations and capital grant income.

Donated fixed assets (excluding transfers on conversion/transfers from other trusts)

Where the donated good is a fixed asset, it is initially recognised at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The donation is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Ark Schools' accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

All expenditure is inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by Ark Schools to raise funds for its charitable purposes and includes costs of all fundraising activities, events, and non-charitable trading.

Expenditure on charitable activities

These are costs incurred on the Ark Schools' educational operations, including support costs and costs relating to the governance of Ark Schools, and are apportioned to charitable activities.

The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the DfE. Payments received from the DfE and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5 percent of the allocation towards its own administration costs, and this is recognised in the statement of financial activities. The funds received and paid, and any balances held, are disclosed in note 26.

Principal accounting policies

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants or where they are gifted, either from the government or from the private sector, they are included in the balance sheet at cost or at an appropriate value and are depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed assets fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost (or original valuation, taken subsequently to be the deemed cost) of each asset on a straight-line basis over its expected useful life as follows:

◆ Furniture, fittings, and equipment	25 percent p.a.
◆ IT equipment	50 percent p.a.
◆ Motor vehicles	25 percent p.a.
◆ Freehold & leasehold buildings	2 percent p.a.
◆ Leasehold improvements	2 percent to 25 percent p.a.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

The cost of buildings constructed under the UK Government's programmes as funded through local authorities, are recognised in the statement of financial activities as voluntary income in the period in which the buildings are brought into use. No value is brought into the financial statements before this time. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Properties occupied under operating lease arrangements are not capitalised. This includes any properties developed under a Private Finance Initiative (PFI) agreement, where Ark Schools is not directly party to the PFI agreement itself and rather the local authority has directly contracted with the PFI contractor, and Ark Schools has contracted with the local authority to make financial contributions towards facilities management.

Under such arrangements, the school premises are maintained and managed for a period of 25 years by the PFI contractor subject to contractual annual fees payable by the academy. Upon expiry of the PFI contract, the residual benefit of the premises passes to the academy as a result of a 125-year lease granted to them.

Principal accounting policies

Tangible fixed assets (continued)

As Ark Schools only enjoys the benefits of the premises subject to the restrictions under the PFI agreement over the initial 25-year term, the academy does not substantially hold all of the risks and rewards of ownership of the premises during this period, and the property is therefore accounted for as an operating lease. The annual charges payable by Ark Schools under the sub-agreement are expensed to the statement of financial activities as maintenance expenditure.

Investments

Ark Schools' shareholding in its wholly owned subsidiary, Ark Academies Projects Limited, is included on Ark Schools' balance sheet at the cost of the share capital owned.

Other investments are included on the balance sheet at fair value. Unrealised and realised gains (or losses) on such investments are credited (or debited) to the statement of financial activities.

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.

Liabilities

Liabilities 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. Liabilities are recognised at the amount that Ark Schools anticipates it will pay to settle the debt or the amount it has received as advanced payment for the goods or services it must provide.

Provisions

Provisions are recognised when Ark Schools has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits, and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Principal accounting policies

Fund accounting

The unrestricted funds represent monies which may be applied for any purpose within the Ark Schools' objects.

Restricted general funds are grants from the DfE and other donors which are to be used for specific purposes.

The restricted fixed assets fund comprises resources which are to be applied to specific capital purposes imposed by the DfE and other funders where the asset acquired or created is held for a specific purpose.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Financial instruments

Ark Schools only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of Ark Schools and their measurement basis are as follows:

- Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due from Ark Schools' wholly owned subsidiary are held at face value less any impairment. Listed investments held by Ark Schools are also considered to be basic financial instruments. The investments are initially recognised at cost and subsequently carried on the balance sheet at fair value. Changes in the fair value are reflected as investment gains or losses through the statement of financial activities.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Principal accounting policies

Pensions Benefits

Retirement benefits to employees of Ark Schools are provided by the Teachers' Pension Scheme ('TPS') and various Local Government Pension Schemes ('LGPS') or to The Pensions Trust ('TPT'). Staff employed in the central office are auto enrolled either to LGPS or TPS depending on their role unless they opt out and request to join TPT. The TPS and LGPS are defined benefit schemes and the TPT is a money purchase arrangement.

The TPS is an unfunded scheme, and contributions are calculated so as to spread the cost of pensions over employees' working lives with Ark Schools in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS are funded schemes, and the assets are held separately from those of Ark Schools in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements, and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Ark Schools participates in several different schemes with various local authorities. If the present value of any given scheme's defined benefit obligation at the reporting date is less than the fair value of its plan assets at that date, the plan would be in surplus. Surpluses can only be recognised as an asset to the extent that the trust is able to recover the surplus, either through reduced contributions in the future or through refunds from the plan. If the surpluses are unable to be recovered, as is the case under the terms of academy funding agreements, the liability is capped at zero.

Principal accounting policies

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The trustees of Ark Schools make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- The net book value of tangible fixed assets is based on the original cost of the asset net of provision for depreciation. The depreciation provision to date is based on the trustees' assessment of the estimated useful economic lives of such assets.
- The values attributed to properties donated to Ark Schools are initially recognised either based on historical cost, an independent professional valuation or through an estimate determined by Ark Schools' management. The property's condition, the nature of educational use, and the geographical location are taken into consideration in estimating the value.
- The treatment of our lease agreement with EdCity Office as an operating lease rather than a finance lease. This is based on the terms of the lease agreement between Ark Schools and EdCity Office.
- The values attributed to donated assets (other than properties) are initially recognised based on the estimated commercial value of the asset at the time of the donation.

Notes to the financial statements 31 August 2025

1. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, all schools within the Ark Schools network were subject to limits at 31 August 2025 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12 percent of GAG could be carried forward, of which up to 2 percent could be used for general recurrent purposes, with any balance being available for premises / capital purposes. No schools within the Ark Schools network exceeded these limits during the current or prior years.

2. Donations and capital grants

	Unrestricted general funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	2025 Total funds £'000	2024 Total funds £'000
2025					
Donations – capital grant (DfE)	—	—	8,453	8,453	9,584
Devolved formula capital allocations	—	—	610	610	597
Academy main building grants	—	—	1,485	1,485	1,737
Local authority ICT capital grants	—	—	578	578	54
Donations – other	—	1,389	400	1,789	2,143
Donations – Ark and subsidiaries (note 23)	—	3,595	—	3,595	3,697
	—	4,984	11,526	16,510	17,812
	Unrestricted general funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	2024 Total funds £'000	
2024					
Donations – capital grant (DfE)	—	—	9,584	9,584	
Devolved formula capital allocations	—	—	597	597	
Academy main building grants	—	—	1,737	1,737	
Local authority ICT capital grants	—	—	54	54	
Donations – other	—	1,612	531	2,143	
Donations – Ark and subsidiaries (note 23)	—	2,016	1,681	3,697	
	—	3,628	14,184	17,812	

Notes to the financial statements 31 August 2025

3. Other trading activities

	Unrestricted general funds £'000	Restricted general funds £'000	2025 Total funds £'000	2024 Total funds £'000
Year to 31 August 2025				
Nursery fees	—	208	208	203
Hire of facilities	1,867	1,029	2,896	2,795
Catering income from staff	—	98	98	37
	1,867	1,335	3,202	3,035
	Unrestricted general funds £'000	Restricted general funds £'000	2024 Total funds £'000	
Year to 31 August 2024				
Nursery fees	—	203	203	
Hire of facilities	1,940	855	2,795	
Catering income from staff	—	37	37	
	1,940	1,095	3,035	

Notes to the financial statements 31 August 2025

4. Funding for Ark Schools' educational operations

	Unrestricted general funds £'000	Restricted general funds £'000	2025 Total funds £'000	2024 Total funds £'000
Year to 31 August 2025				
DfE revenue grants				
General annual grant (GAG)	—	202,330	202,330	192,944
Other DfE grants				
. Universal Infant Free School Meals	—	1,363	1,363	1,392
. Start up A	—	31	31	94
. Start up B	—	215	215	270
. Pupil Premium	—	15,684	15,684	14,783
. 16-19 Core Education Funding	—	15,306	15,306	15,315
. Mainstream Schools Annual Grant	—	—	—	6,820
. Teachers Pay Grant	—	3,571	3,571	3,500
. Teachers Pension Employer Contribution Grant	—	2,760	2,760	710
. Teachers Pension Grant	—	2,538	2,538	1,816
. Core School Budget Grant	—	7,580	7,580	—
. National Insurance Grant	—	1,273	1,273	—
. Other DfE Grants	62	5,799	5,861	2,890
	62	258,450	258,512	240,534
Other grants				
Local authority funding	—	13,427	13,427	11,492
Extended schools programme	—	590	590	541
Miscellaneous grants	—	185	185	313
	—	14,202	14,202	12,346
Other income				
School meals income	—	2,563	2,563	2,767
School uniform sales	—	42	42	51
Parent contributions to school trip costs	—	932	932	769
	—	3,537	3,537	3,587
COVID-19 additional funding (DfE)				
Recovery Premium Grant	—	—	—	2,903
Other DfE COVID-19 funding	—	—	—	434
	—	—	—	3,337
	62	276,189	276,251	259,804

Notes to the financial statements 31 August 2025

4. Funding for Ark Schools' educational operations (continued)

Year to 31 August 2024	Unrestricted general funds £'000	Restricted general funds £'000	2024 Total funds £'000
DfE revenue grants			
General annual grant (GAG)	—	192,944	192,944
Other DfE grants			
. Universal Infant Free School Meals	—	1,392	1,392
. Start up A	—	94	94
. Start up B	—	270	270
. Pupil Premium	—	14,783	14,783
. 16-19 Core Education Funding	—	15,315	15,315
. Mainstream Schools Annual Grant	—	6,820	6,820
. Teachers Pay Grant	—	3,500	3,500
. Teachers Pension Employer Contribution Grant	—	710	710
. Teachers Pension Grant	—	1,816	1,816
. Other DfE Grants	15	2,875	2,890
	15	240,519	240,534
Other grants			
Local authority funding	—	11,492	11,492
Extended schools programme	—	541	541
Miscellaneous grants	—	313	313
	—	12,346	12,346
Other income			
School meals income	—	2,767	2,767
School uniform sales	—	51	51
Parent contributions to school trip costs	—	769	769
	—	3,587	3,587
COVID-19 additional funding (DfE)			
Recovery Premium Grant	—	2,903	2,903
Other DfE COVID-19 funding	—	434	434
	—	3,337	3,337
	15	259,789	259,804

Notes to the financial statements 31 August 2025

5. Project management grants

	Restricted general funds	
	2025 £'000	2024 £'000
Project management grant	789	307

Project management grants are received from Ark in relation to activities in preparation for the opening of new academies and academy building projects (note 23).

6. Other income

	2025 £'000	2024 £'000
Pension interest income (note 20)	597	775
Miscellaneous income	1,354	2,518
	1,951	3,293

All amounts above are restricted in nature for the year ended 31 August 2025 (2024: all) with the exception of £nil of miscellaneous income which is unrestricted (2024: £119k).

Miscellaneous income comprises self-generated income including income derived from Ark Teacher Training, network programmes, and consultancy services.

Notes to the financial statements 31 August 2025

7. Expenditure

Year to 31 August 2025	Staff costs (note 9) £'000	Premises £'000	Other costs £'000	Total 2025 £'000	Total 2024 £'000
Raising funds (note 8a)					
. Direct costs	550	2	8	560	535
. Support costs	30	1,261	16	1,307	1,415
	580	1,263	24	1,867	1,950
Educational operations					
. Direct costs (note 8b)	132,812	17,435	17,136	167,383	161,618
. Educational support costs (note 8b)	92,877	—	35,895	128,772	126,474
. Governance costs (note 8c)	—	—	178	178	177
	225,689	17,435	53,209	296,333	288,269
Development costs (note 8d)	581	9	1,848	2,438	1,963
Teaching School (note 8e)	—	—	—	—	443
	226,850	18,707	55,081	300,638	292,625

Year to 31 August 2024	Staff costs (note 9) £'000	Premises £'000	Other costs £'000	Total 2024 £'000
Raising funds (note 8a)				
. Direct costs	522	—	13	535
. Support costs	56	1,343	16	1,415
	578	1,343	29	1,950
Educational operations				
. Direct costs (note 8b)	124,407	20,183	17,028	161,618
. Educational support costs (note 8b)	87,859	—	38,610	126,474
. Governance costs (note 8c)	—	—	182	177
	212,266	20,183	55,820	288,269
Development costs (note 8d)	288	13	1,662	1,963
Teaching School (note 8e)	348	—	95	443
	213,480	21,539	57,606	292,625

Notes to the financial statements 31 August 2025

7. Expenditure (continued)

Net income (expenditure) for the year is stated after charging:

	2025 £'000	2024 £'000
Operating lease rentals		
. Land and buildings	477	670
. Plant and machinery	556	844
Depreciation	17,435	20,183
Loss (gain) on disposal of fixed assets	—	1
Fees payable to external auditor for:		
. Statutory audit services	109	107
. Other services	49	52
Unrecoverable debt (see below)	—	389

Unrecoverable debt and cash losses

£389k of bad debt was written off in the prior year as unrecoverable debt, following the liquidation of Schools Lettings Solutions (SLS). SLS provided a lettings service to eleven schools within the trust. Approval to write off the debt was received from the DfE (formally ESFA).

No such debt write-offs have occurred during the year ended 31 August 2025.

There were no reportable instances of fraud during the year (2024: none).

8a. Cost of raising funds

	2025 Total funds £'000	2024 Total funds £'000
Lettings and nursery	1,867	1,950

The surplus from trading activities totaled £1.74m in the year (2024: surplus of £1.52m). See note 13.

Notes to the financial statements 31 August 2025

8b. Ark Schools' charitable educational operations

	2025 Total funds £'000	2024 Total funds £'000
Direct costs		
Staff costs	132,812	124,407
Depreciation	17,435	20,183
Educational supplies	5,329	5,225
Examination fees	3,249	3,076
Transport costs	261	223
Other pupil support costs	7,197	7,291
Extended schools programme	1,100	1,213
	167,383	161,618
Educational support costs		
Staff costs	92,877	87,859
Recruitment and other staff costs	2,740	2,864
Catering contract	7,017	7,084
Printing and stationery	2,322	2,552
Office overhead	241	251
Heat and light	4,410	4,471
Premises (including buildings insurance)*	14,793	16,766
Legal costs – other	300	115
Technology costs	3,783	3,720
Finance costs and interest/charges payable	90	76
Other expenses	168	699
Small equipment less than £2,000 expensed	31	16
Loss/ (Gain) on disposal of tangible fixed assets	—	1
	128,772	126,474
Governance costs (note 8c)	178	177
	296,333	288,269

*This includes £647k (2024: £730k) of expenditure on making good RAAC defects across the network as funded by capital grants.

Notes to the financial statements 31 August 2025

8c. Governance costs

	2025 Total funds £'000	2024 Total funds £'000
Audit of group financial statements*		
Current year	109	107
Other expenses including internal audit services	69	70
	178	177

*This also includes regularity assurance and Teachers' Pension end of year certificate assurance.

8d. Other development costs

	2025 Total funds £'000	2024 Total funds £'000
Project implementation		
Staff costs	580	288
Building costs	9	13
Project implementation	—	2
Research and marketing	58	158
Miscellaneous costs	4	12
	651	473
Continuing professional development		
Education development	596	564
Staff training and induction	1,191	926
	1,787	1,490
	2,438	1,963

Development costs relate to the opening of new academies and new academy buildings, as well as continuing professional development and transition costs of open academies.

All amounts above are restricted in nature for the year ended 31 August 2025 (2024: all) with the exception of £22k of project implementation which is unrestricted (2024: £1k).

Notes to the financial statements 31 August 2025

8e. Teaching School expenditure

	2025 Total funds £'000	2024 Total funds £'000
Direct costs		
Staff costs	—	348
	—	348
Continuing professional development		
Education development	—	95
	—	95
	—	443

No costs are incurred in the year ending August 2025 due to the closure of the Teaching School Hub.

9. Staff

a. Staff costs and other employee benefits

Staff costs during the period were as follows:

	2025 £'000	2024 £'000
Wages and salaries	164,003	155,477
Social security costs	18,488	15,883
Pension costs	36,377	31,786
Apprenticeship levy	803	768
	219,671	203,914
Supply staff costs	6,557	9,172
Severance	214	175
Redundancy	408	219
	226,850	213,480

b. Severance payments

The academy trust paid 9 (2024: 9) severance payments in the year, disclosed in the following bands:

	2025 No.	2024 No.
£0 - £25,000	7	5
£25,001 - £50,000	2	4

Notes to the financial statements 31 August 2025

9. Staff (continued)

c. Staff numbers – full-time equivalent

The average full-time equivalent number of persons employed by the group during the year ended 31 August 2025, analysed by function, was as follows:

	2025 No.	2024 No.
Charitable activities		
Teachers	1,684	1,695
Education support and administration staff	1,593	1,579
Management	131	149
	3,408	3,423

d. Staff numbers – headcount

The average gross number of persons employed by the group during the year ended 31 August 2025, analysed by function, was as follows:

	2025 No.	2024 No.
Charitable activities		
Teachers	1,744	1,764
Education support and administration	1,906	1,923
Management	134	154
	3,784	3,841

e. Higher paid staff

The number of full-time equivalent employees during the period who earned over £60,000 in the year (including benefits and bonuses but excluding pension contributions) was as follows:

	2025 Number	2024 Number
£60,001 - £70,000	311	255
£70,001 - £80,000	178	124
£80,001 - £90,000	85	62
£90,001 - £100,000	45	31
£100,001 - £110,000	18	11
£110,001 - £120,000	9	6
£120,001 - £130,000	6	3
£130,001 - £140,000	4	4
£140,001 - £150,000	8	7
£150,001 - £160,000	4	3
£160,001 - £170,000	1	2
£170,001 - £180,000	2	—
£190,001 - £200,000	1	3
£200,001 - £210,000	2	—
	674	511

Notes to the financial statements 31 August 2025

10. Key management personnel

The key management personnel of Ark Schools comprise the trustees and the senior management team as detailed in the Trustees' Report, although 2.70 FTE (2024: 2.0) of the senior management team were paid by the sponsor organisation, Absolute Return for Kids ("Ark").

The total amount of employee benefits (including pension and social security contributions) received by key management personnel for their services, which was paid by Ark Schools was £957,979 (2024: £827,725). In addition, £388,743 (2024: £387,232) was paid to key management personnel of Ark Schools by Ark, including employee benefits received by the Managing Director (see note 24).

The Managing Director is also a Trustee of Ark Schools. The total amount of employee benefits paid by Ark Schools received by the Managing Director, Lucy Heller, was nil (2024: nil). The total paid to the Managing Director, as the CEO of Ark (rather than as Trustee of Ark Schools), was £216,300 (2024: £214,931).

11. Central services/holdback

The central team at Ark Schools fulfils several functions including education support, training/CPD coordination, HR, financial and management accounting, legal support, and governance services. In addition, the central team provides:

- Corporate governance and reporting, in line with the obligations imposed by company and charity law as well as by the DfE
- Risk management and quality assurance
- Central administration
- New project management service

The academy funding model allocates all funding directly to schools, including elements that are intended to cover costs incurred at the central office. The central holdback is computed at 5 percent of the general annual grant (2024: 5 percent). The amounts charged to each school are detailed below. The centre also negotiates contracts on behalf of schools and charge these costs to each school.

Notes to the financial statements 31 August 2025

11. Central services/holdback (continued)

	2025 £'000	2024 £'000
All through Schools		
Ark	584	547
Burlington Danes	421	405
Globe	583	571
Isaac Newton	580	549
John Keats	626	590
Kings	311	321
King Solomon	492	460
Victoria	510	481
Secondary Schools		
Acton	400	346
Alexandra	566	542
All Saints	304	316
Blake	331	255
Bolingbroke	310	287
Boulton	376	351
Charter	377	349
Elvin	554	510
Evelyn Grace	225	218
Greenwich	270	258
Pioneer	391	331
Putney	391	378
St Alban's	365	367
Walworth	488	477
Soane	313	218
Primary Schools		
Atwood	128	120
Ayrton	127	128
Bentworth	62	60
Brunel	81	95
Blacklands	155	146
Byron	118	114
Castledown	109	102
Conway	73	67
Dickens	123	121
Franklin	164	158
John Archer	77	73
Little Ridge	107	101
Oval	170	165
Priory	126	117
White City Primary	109	102
Tindal	123	114
Total central services income	11,620	10,910

Notes to the financial statements 31 August 2025

12. Tangible fixed assets

Group	Freehold land and buildings £'000	Long leasehold buildings £'000	Leasehold improvements £'000	IT equipment £'000	Furniture, and equipment £'000	Motor vehicles £'000	Assets under construction £'000	Total £'000
Cost								
At 1 September 2024	16,550	554,736	37,726	31,007	29,164	147	6,957	676,287
Reclassifications	—	—	7,534	—	4	—	(7,538)	—
Additions	—	126	2,002	3,076	738	89	9,499	15,530
Disposals	—	—	—	(4,880)	—	—	—	(4,880)
At 31 August 2025	<u>16,550</u>	<u>554,862</u>	<u>47,262</u>	<u>29,203</u>	<u>29,906</u>	<u>236</u>	<u>8,918</u>	686,937
Depreciation								
At 1 September 2024	1,701	117,354	4,946	29,338	26,667	102	—	180,108
Charge for the year	236	11,125	1,203	3,237	1,588	46	—	17,435
Disposals	—	—	—	(4,880)	—	—	—	(4,880)
At 31 August 2025	<u>1,937</u>	<u>128,479</u>	<u>6,149</u>	<u>27,695</u>	<u>28,255</u>	<u>148</u>	<u>—</u>	192,663
Net book value								
At 31 August 2025	<u>14,613</u>	<u>426,383</u>	<u>41,113</u>	<u>1,508</u>	<u>1,651</u>	<u>88</u>	<u>8,918</u>	494,274
At 31 August 2024	<u>14,849</u>	<u>437,382</u>	<u>32,780</u>	<u>1,669</u>	<u>2,497</u>	<u>45</u>	<u>6,957</u>	496,179

Ark Schools	Freehold land and buildings £'000	Long leasehold buildings £'000	Leasehold improvements £'000	IT equipment £'000	Furniture, and equipment £'000	Motor vehicles £'000	Assets under construction £'000	Total £'000
Cost								
At 1 September 2024	16,550	554,736	37,727	31,003	29,140	147	6,957	676,260
Reclassifications	—	—	7,534	—	4	—	(7,538)	—
Additions	—	126	2,000	3,081	724	89	9,499	15,519
Disposals	—	—	—	(4,880)	—	—	—	(4,880)
At 31 August 2025	<u>16,550</u>	<u>554,862</u>	<u>47,261</u>	<u>29,204</u>	<u>29,868</u>	<u>236</u>	<u>8,918</u>	686,899
Depreciation								
At 1 September 2024	1,701	117,354	4,946	29,340	26,635	102	—	180,078
Charge for the year	236	11,125	1,202	3,236	1,588	46	—	17,433
Disposals	—	—	—	(4,880)	—	—	—	(4,880)
At 31 August 2025	<u>1,937</u>	<u>128,479</u>	<u>6,148</u>	<u>27,696</u>	<u>28,223</u>	<u>148</u>	<u>—</u>	192,631
Net book value								
At 31 August 2025	<u>14,613</u>	<u>426,383</u>	<u>41,113</u>	<u>1,508</u>	<u>1,645</u>	<u>88</u>	<u>8,918</u>	494,268
At 31 August 2024	<u>14,849</u>	<u>437,382</u>	<u>32,781</u>	<u>1,663</u>	<u>2,505</u>	<u>45</u>	<u>6,957</u>	496,182

The land on which the individual academies are sited is leased at peppercorn rents. No value has been placed on the land in the financial statements due to restrictive covenants in the leases.

Notes to the financial statements 31 August 2025

13. Wholly owned trading subsidiary

Ark Academies Projects Limited is a wholly owned subsidiary of Ark Schools. The following is a summary of the financial statements of Ark Academies Projects Limited for the year ended 31 August 2025, which has been included in the consolidated financial statements.

During the year ended 31 August 2025, the company's principal activities were the provision of nursery education, fees for license to occupy land, and the letting of facilities through a number of schools operated by Ark Schools.

	2025 £'000	2024 £'000
Turnover	3,601	3,485
Cost of sales	(1,856)	(1,958)
Gross profit	1,745	1,527
Administrative expenses	(6)	(6)
Retained profit before charitable donation under Gift Aid at 31 August	1,739	1,521
Charitable donation under Gift Aid	(1,739)	(1,521)
Retained profit after charitable donation under Gift Aid at 31 August	—	—
Retained earnings brought forward at 1 September	—	—
Retained earnings carry forward at 31 August	—	—

The £1 issued share capital of Ark Academies Projects Limited is wholly owned by Ark Schools.

14. Debtors

	Group 2025 £'000	Ark Schools 2025 £'000	Group 2024 £'000	Ark Schools 2024 £'000
Trade debtors	852	853	680	683
Amounts due from DfE	5,156	5,156	4,930	4,930
Sponsorship due from Ark	6,373	6,373	9,477	9,477
Other debtors	1,420	1,418	2,288	2,312
Prepayments and accrued income	6,133	6,085	4,912	4,878
Amounts due from subsidiary	—	1,843	—	1,616
VAT recoverable	2,780	2,780	7,275	7,275
	22,714	24,508	29,562	31,171

Notes to the financial statements 31 August 2025

15. Creditors: amounts falling due within one year

	Group 2025 £'000	Ark Schools 2025 £'000	Group 2024 £'000	Ark Schools 2024 £'000
Trade creditors	4,919	4,919	5,822	5,822
Taxation and social security	4,544	4,544	3,938	3,938
Accruals	8,426	8,424	7,702	7,702
Deferred income	8,929	8,830	12,500	12,497
DfE creditor – abatement of GAG	616	616	428	428
Other creditors	3,725	3,722	4,406	4,449
Amounts owed to subsidiary	—	1,791	—	1,525
	31,159	32,846	34,796	36,361

	2025 £'000	2024 £'000
Deferred income		
Deferred income at 1 September	12,500	18,655
Amounts deferred in the year	8,763	8,404
Amounts released from previous years	(12,334)	(14,559)
Deferred income at 31 August	8,929	12,500

During the year ended 31 August 2025, Ark Schools received funding in advance for Universal Infant Free School Meals for the period September 2025 to March 2026 and from local authority sources (Special Educational Needs, Early Years and Foundation Stage and other local authority income). The balance of deferred income also includes capital grant funding which has not yet been recognised as income due to conditions of entitlement not being met at the balance sheet date.

Creditors: amounts falling due after one year

	Group 2025 £'000	Ark Schools 2025 £'000	Group 2024 £'000	Ark Schools 2024 £'000
DfE loan	1,800	1,800	1,800	1,800
	1,800	1,800	1,800	1,800

The above loan relates to an advance made by the DfE (formerly ESFA) to Ark Schools in 2018/19 for Ark William Parker Academy, which merged with Ark Helenswood Academy to become Ark Alexandra Academy on 1 September 2019. The DfE has confirmed that they will pause the repayments of the loan, pending a review of the financial sustainability of Ark Alexandra. This discussion remains ongoing and as such we remain confident that this is correctly classified as a long-term creditor.

Notes to the financial statements 31 August 2025

16. Funds

Group	At 1 September 2024 £'000	Income £'000	Expenditure £'000	Transfers and other gains and losses £'000	At 31 August 2025 £'000
Restricted fixed assets fund					
DfE fixed assets fund	202,300	—	(4,046)	—	198,254
Ark sponsorship fixed assets fund	17,701	—	(362)	—	17,339
Devolved Formula Capital and School Condition Allocation	20,898	9,063	(10,882)	—	19,079
Other fixed assets funds	261,710	2,463	(2,178)	3,039	265,034
	502,609	11,526	(17,468)	3,039	499,706
Restricted general funds					
General Annual Grant (GAG) (note 4)	339	202,330	(198,562)	(3,170)	937
Start up and lead in (note 4)	—	246	(246)	—	—
Pupil Premium	—	15,684	(15,684)	—	—
16-19 Core Funding	—	15,306	(15,306)	—	—
Universal Infant Free School Meals	—	1,363	(1,363)	—	—
Teachers Pay Grant	—	3,571	(3,571)	—	—
Teachers Pension Employer Contribution	—	—	—	—	—
Grant	—	2,760	(2,760)	—	—
Teachers Pension Grant	—	2,538	(2,538)	—	—
Core School Budget Grant	—	7,580	(7,580)	—	—
National Insurance Grant	—	1,273	(1,273)	—	—
Other DfE grants (note 4)	—	5,799	(5,799)	—	—
Donations from Ark	—	—	—	—	—
Ark Program Grants	1,146	3,595	(3,731)	—	1,010
Teaching School	554	—	—	—	554
UK programmes – grants	155	—	—	13	168
Local authority grants	111	13,427	(13,427)	—	111
Other donations	971	9,184	(9,339)	—	816
	3,276	284,656	(281,179)	(3,157)	3,596
Pension reserve	(1,529)	597	—	185	(747)
Total restricted funds	504,356	296,779	(298,647)	67	502,555
Unrestricted funds					
Unrestricted general funds					
. Other unrestricted funds	1,949	2,596	(1,991)	131	2,685
. Designated funds	245	—	—	—	245
Total unrestricted funds	2,194	2,596	(1,991)	131	2,930
Total funds	506,550	299,375	(300,638)	198	505,485

Notes to the financial statements 31 August 2025

16. Funds (continued)

The purposes for which the funds are to be applied are as follows:

Restricted fixed assets fund

This fund equates to the netbook value of Ark Schools' tangible fixed assets plus funding received from central/local government and other donors for capital which has not been expended by the balance sheet date. The capital funding may be used to complete capital projects or undertake maintenance works on existing tangible fixed assets.

The fund balance includes the carrying value of school buildings (and other tangible fixed assets) inherited by Ark Schools where a school has converted or joined Ark Schools from another academy trust.

Transfers from either general funds or unrestricted funds to the restricted fixed assets fund are made where a shortfall exists in the capital reserves available to fully fund the cost of tangible fixed assets owned by Ark Schools.

Restricted general funds

Restricted general funds represent the balance of funds available from revenue grants received from local/central government and other donors, the application of which is limited to the conditions imposed by the grantor/donor.

The principal funding receivable from the government is the General Annual Grant (GAG) provided by the DfE. Under the funding agreement with the Secretary of State, Ark Schools was subject to limits on the amount of GAG that it could carry forward at 31 August 2025. Note 1 discloses that these limits were not exceeded. Transfers from other restricted funds or unrestricted funds to the GAG fund have been made in order to cover the deficit which would otherwise have existed in this fund.

Pension reserve

The pension reserve is equal to Ark Schools' share of the deficit within the various Local Government Pension Schemes in which Ark Schools participates.

Unrestricted funds

The unrestricted general funds represent monies which may be applied for any purpose within the Ark Schools' objects. The designated fund balances relate to amounts set aside for specific future projects. During the year, we transferred £3.0m (2024: £4.0m) from revenue funds to fund in-year capital expenditure.

Transfers from unrestricted general funds to restricted general funds are made in order to cover any shortfall which would otherwise exist on restricted general funds due to insufficient funding being receivable.

Notes to the financial statements 31 August 2025

16. Funds (continued)

Analysis of fund balance by academy

The table below provides further analysis of the fund balances attributable to each school and the central function including:

- **Revenue reserves**, comprising the aggregate balance of the restricted general funds and unrestricted funds.
- **Capital reserves**, being funding received by schools to address their own priorities but unspent at the balance sheet date. The funds will be used for improvements to buildings and other facilities including repairs, refurbishment, and minor works.
- **General capital reserves**, representing funds set aside for specific contractual reasons (maintenance on sports facilities etc.) These balances are included as part of Ark Schools' restricted fixed assets fund.
- **IT reserves**, being other amounts designated as at the balance sheet date for future expenditure on IT equipment and upgrades.

Notes to the financial statements 31 August 2025

16. Funds (continued)

Analysis of fund balance by academy (continued)

	2025 Revenue reserves £'000	2025 Capital reserves £'000	2025 General Capital reserves £'000	2025 IT reserves £'000	2025 Total reserves £'000	2024 Total reserves £'000
All through Schools						
Ark	662	80	59	10	811	909
Burlington Danes	642	1	—	84	727	824
Globe	620	136	—	68	824	956
Isaac Newton	1,280	218	106	26	1,630	1,570
John Keats	747	56	—	6	809	852
Kings	673	125	—	161	959	985
King Solomon	9	2	—	15	26	534
Victoria	50	140	—	160	350	246
Secondary Schools						
Acton	367	114	—	10	491	594
All Saints	1,055	53	—	60	1,168	993
Alexandra	(6,303)	18	125	98	(6,062)	(5,611)
Blake	(761)	27	—	60	(674)	(834)
Bolingbroke	(758)	38	—	71	(649)	(821)
Boulton	319	117	—	474	910	1,137
Charter	(1,482)	17	—	11	(1,454)	(1,234)
Elvin	735	20	—	4	759	726
Evelyn Grace	(457)	79	—	99	(279)	(2)
Greenwich	508	108	—	141	757	1,049
Pioneer	92	8	—	5	105	39
Putney	(1,783)	17	—	98	(1,668)	(1,550)
Soane	67	7	—	5	79	(15)
St Alban's	703	172	—	214	1,089	865
Walworth	594	13	—	100	707	539
Primary Schools						
Atwood	53	110	—	13	176	233
Ayrton	145	29	—	5	179	153
Bentworth	(200)	32	—	33	(135)	(146)
Brunel	214	47	—	46	307	274
Blacklands	618	87	—	12	717	647
Byron	(457)	50	—	2	(405)	(383)
Castledown	725	67	—	15	807	631
Conway	(179)	70	—	25	(84)	(135)
Dickens	275	18	—	8	301	302
Franklin	1,302	83	—	1	1,386	1,416
John Archer	(655)	42	—	6	(607)	(606)
Little Ridge	269	12	—	18	299	257
Oval	(545)	23	—	1	(521)	(456)
Priory	211	56	—	—	267	61
Tindal	519	57	—	45	621	659
White City Primary	(1,564)	55	—	33	(1,476)	(1,396)
Teaching School Hub	555	—	—	—	555	554
Ark Schools Central	7,661	36	459	—	8,156	7,084
	6,526	2,440	749	2,243	11,958	11,900

Notes to the financial statements 31 August 2025

16. Funds (continued)

Analysis of fund balance by academy (continued)

	2025 £'000	2024 £'000
Total revenue reserves (as per above)	6,526	5,470
Fixed asset fund (including unspent capital reserves above)	499,706	502,609
Pension reserve	(747)	(1,529)
Total	505,485	506,550

- Alexandra had a net funds deficit of £6,062k as at 31 August 2025 (2024: deficit of £5,611k). Alexandra was created through the merger of William Parker and Helenswood in September 2019. The school is expected to move to sustainability in the medium term. It continues to be supported by Ark Schools and by a £1.8m DfE loan as noted in note 15.
- Blake had a net funds deficit of £674k as at 31 August 2025 (2024: £834k). Blake was a new start school which opened in September 2020 and now has a full secondary phase. The school is expected to generate a surplus going forward and return to financial equilibrium in the medium term.
- Bolingbroke had a net funds deficit of £649k as at 31 August 2025 (2024: deficit of £821k). Bolingbroke is expected to continue to generate a surplus going forward returning to financial equilibrium in the medium term.
- Charter had a net funds deficit of £1,454k as at 31 August 2025 (2024: deficit of £1,234k). The school is expected to generate a small in-year surplus going forward and return to financial equilibrium in the medium term.
- Evelyn Grace had a net funds deficit of £279k as at 31 August 2025 (2024: deficit of £2k). The school is unlikely to generate a surplus next year however we are working on a sustainable business plan to financial equilibrium in the medium to long term.
- Putney had a net funds deficit of £1,668k as at 31 August 2025 (2024: deficit of £1,550k). Putney has a business plan in place and is expected to return to financial equilibrium in the medium term.
- Bentworth had a net funds deficit of £135k as at 31 August 2025 (2024: deficit of £146k). Bentworth has historically generated surpluses and has a business plan in place to support the school.
- Byron had a net funds deficit of £405k as at 31 August 2025 (2024: deficit of £383k). Byron has historically generated surpluses, has a business plan in place and is expected to start generating surpluses within the next two years.
- Conway had a net funds deficit of £84k as at 31 August 2025 (2024: deficit of £135k). Conway has a sustainable business plan and is expected to continue to generate a small in year surplus going forward.
- John Archer had a net funds deficit of £607k as at 31 August 2025 (2024: deficit of £606k). John Archer has a sustainable business plan and is expected to start generating a small in year surplus within the next three years.

Notes to the financial statements 31 August 2025

16. Funds (continued)

Analysis of fund balance by academy (continued)

- Oval had a net funds deficit of £521k as at 31 August 2025 (2024: deficit of £456k). Oval has historically generated surpluses and is developing a business plan to generate surpluses within the next three years.
- White City Primary had a net funds deficit of £1,476k as at 31 August 2025 (2024: deficit of £1,396k). The school is developing a sustainable business plan and the long-term outlook for the school is positive.

Notes to the financial statements 31 August 2025

16. Funds (continued)

Comparative information

Group	At 1 September 2023 £'000	Income £'000	Expenditure £'000	Transfers and other gains and losses £'000	At 31 August 2024 £'000
Restricted fixed assets fund					
DfE fixed assets fund	206,429	—	(4,129)	—	202,300
Ark sponsorship fixed assets fund	16,352	1,681	(332)	—	17,701
Devolved Formula Capital and School Condition Allocation	11,470	10,181	(753)	—	20,898
Other fixed assets funds	271,117	2,322	(15,714)	3,985	261,710
	505,368	14,184	(20,928)	3,985	502,609
Restricted general funds					
General Annual Grant (GAG) (note 4)	5,897	192,944	(194,517)	(3,985)	339
Start up and lead in (note 4)	—	364	(364)	—	—
Pupil Premium	—	14,783	(14,783)	—	—
16-19 Core Funding	—	15,315	(15,315)	—	—
Universal Infant Free School Meals	—	1,394	(1,394)	—	—
Mainstream Schools Annual Grant	—	6,820	(6,820)	—	—
Teachers Pay Grant	—	3,500	(3,500)	—	—
Teachers Pension Employer Contribution Grant	—	710	(710)	—	—
Teachers Pension Grant	—	1,816	(1,816)	—	—
Other DfE grants (note 4)	—	2,875	(2,875)	—	—
Recovery Premium Grant	—	2,904	(2,904)	—	—
Other DfE COVID-19 funding	—	434	(434)	—	—
Donations from Ark					
Ark Schools Coronavirus Fund	—	137	(137)	—	—
Ark Program Grants	1,482	1,879	(2,215)	—	1,146
Teaching School	454	543	(443)	—	554
UK programmes – grants	448	—	—	(293)	155
Local authority grants	111	11,492	(11,492)	—	111
Other donations	793	9,885	(10,017)	310	971
	9,185	267,795	(269,736)	(3,968)	3,276
Pension reserve	(2,175)	775	—	(129)	(1,529)
Total restricted funds	512,378	282,754	(290,665)	(112)	504,356
Unrestricted funds					
Unrestricted general funds					
. Other unrestricted funds	1,548	2,362	(1,961)	—	1,949
. Designated funds	245	—	—	—	245
Total unrestricted funds	1,793	2,362	(1,961)	—	2,194
Total funds	514,171	285,116	(292,625)	(112)	506,550

Notes to the financial statements 31 August 2025

17. Expenditure Analysis – analysis of cost by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation and losses on disposal of assets) £'000	2025 Total £'000	2024 Total £'000
All through Schools						
Ark	9,966	1,423	147	1,897	13,433	12,931
Burlington Danes	6,275	916	108	1,936	9,235	9,133
Globe	8,673	1,212	209	3,013	13,107	12,915
Isaac Newton	8,844	1,254	193	2,084	12,375	11,918
John Keats	10,098	1,283	300	2,179	13,860	13,342
Kings	4,995	1,146	85	1,334	7,560	7,870
King Solomon	8,617	873	149	2,837	12,476	11,995
Victoria	7,924	1,331	135	2,102	11,492	10,979
Secondary Schools						
Acton	5,224	423	181	2,853	8,681	8,586
All Saints	4,337	1,146	93	1,312	6,888	6,824
Alexandra	8,725	1,542	198	2,008	12,473	12,228
Blake	4,560	666	105	1,552	6,883	5,620
Bolingbroke	4,448	763	229	1,441	6,881	6,828
Boulton	5,444	860	140	1,693	8,137	7,733
Charter	5,899	954	115	1,470	8,438	7,753
Elvin	8,308	1,372	271	1,987	11,938	11,263
Evelyn Grace	2,952	710	119	1,622	5,403	5,633
Greenwich	3,866	550	141	1,175	5,732	5,295
Pioneer	5,843	1,074	206	1,709	8,832	7,720
Putney	6,380	730	133	1,420	8,663	8,956
Soane	4,470	443	80	1,712	6,705	4,723
St Alban's	5,504	860	86	1,399	7,849	7,630
Walworth	6,970	1,117	111	2,127	10,325	10,347
Primary Schools						
Atwood	2,282	443	49	592	3,366	3,254
Ayrton	2,244	351	46	434	3,075	3,029
Bentworth	1,035	204	45	264	1,548	1,574
Brunel	1,532	163	49	498	2,242	2,629
Blacklands	2,477	441	52	495	3,465	3,337
Byron	1,957	316	57	526	2,856	2,824
Castledown	1,857	189	43	420	2,509	2,455
Conway	1,071	307	34	347	1,759	1,735
Dickens	2,256	369	57	511	3,193	3,043
Franklin	2,836	509	73	824	4,242	4,000
John Archer	1,219	208	71	375	1,873	1,771
Little Ridge	1,966	283	26	390	2,665	2,494
Oval	2,762	638	105	617	4,122	4,232
Priory	2,221	311	46	444	3,022	3,063
White City Primary	2,015	280	61	527	2,883	3,023
Tindal	2,048	460	61	501	3,070	2,955
Teaching School Hub	—	—	—	—	—	444
Ark Schools Central	1,783	16,266	—	—	18,049	15,663
Ark Schools excluding subsidiaries	181,883	44,386	4,409	50,627	281,305	269,747

Notes to the financial statements 31 August 2025

18. Analysis of net assets between funds

Group	Restricted funds				Total funds 2025 £'000
	Unrestricted funds £'000	General funds £'000	Pension reserve £'000	Fixed assets fund £'000	
Fund balances at 31 August 2025 are represented by:					
Tangible and investment assets	—	168	—	494,274	494,442
Current assets	2,930	29,140	—	12,679	44,749
Creditors: amounts falling due within one year	—	(23,912)	—	(7,247)	(31,159)
Creditors: amounts due after one year	—	(1,800)	—	—	(1,800)
Pension scheme liability	—	—	(747)	—	(747)
	2,930	3,596	(747)	499,706	505,485

	Restricted funds				Total funds
	Unrestricted funds	General funds	Pension reserve	Fixed assets fund	2025
Ark Schools	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 August 2025 are represented by:					
Tangible and investment assets	—	168	—	494,268	494,436
Current assets	2,930	30,827	—	12,685	46,442
Creditors: amounts falling due within one year	—		—		
		(25,559)		(7,247)	(32,846)
Creditors: amounts due after one year	—	(1,800)	—	—	(1,800)
Pension scheme liability	—	—	(747)	—	(747)
	2,930	3,596	(747)	499,706	505,485

19. Member Liability

The member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while it is a member, or within one year after it ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before it ceases to be a member.

20. Pensions and similar obligations

Ark Schools' employees belong to one of three principal pension arrangements: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; the Local Government Pensions Scheme (LGPS) for non-teaching staff (both are defined benefit schemes) and a money purchase arrangement for Ark Schools' employees employed by the central office who do not work directly and specifically for any academy, who have opted out of the LGPS.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2022.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Notes to the financial statements 31 August 2025

20. Pensions and similar obligations (continued)

Central Office Money Purchase Scheme

Ark Schools' staff employed in the central office who do not work directly or specifically for any school, and those who have opted not to join the Local Government Pension Scheme, have the option to join a non-contributory scheme administered by The Pensions Trust.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer make contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7percent above the rate of CPI. The key elements of the valuation outcome are:

- employer contribution rates set at 28.68 percent of pensionable pay (including a 0.08 percent administration levy). This is an increase of 5 percent in employer contributions, and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation was implemented on 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the period amounted to £24,460k (2024: £20,881k).

A copy of the valuation report and supporting documentation is at

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>.

Notes to the financial statements 31 August 2025

20. Pensions and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above, the information available on the scheme.

Local Government Pension Scheme (LGPS)

Each LGPS is a multi-employer funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The charitable company is currently part of sixteen different funds. The total contribution made (as referenced by the scheme actuaries) for the year ended 31 August 2025 was £10,739k (2024: £10,537k), of which employees' contributions totalled £2,985k (2024: £2,849k) and employers' contributions totalled £7,754k (2024: £7,688k). The agreed contribution rates for future years are between 13.5 percent and 31.4 percent for employers and between 5.5 percent and 12.5 percent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of an academy trust closing, outstanding LGPS liabilities would be met by the DfE.

The guarantee came into force on 18 July 2013, and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee with a parliamentary minute published on the GOV.UK website.

Notes to the financial statements 31 August 2025

20. Pensions and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Pension Fund – Administering Authority

Greater London

City of Westminster

London Borough of Brent

London Borough of Barnet

London Borough of Croydon

London Borough of Ealing

London Borough of Enfield

London Borough of Greenwich

London Borough of Hammersmith and Fulham

London Borough of Lambeth

London Borough of Redbridge

London Borough of Southwark

Royal Borough of Kensington & Chelsea

London Borough of Wandsworth

East Sussex

East Sussex County Council

Hampshire

Hampshire County Council

West Midlands

West Midlands Fund

Academies

Atwood*

King Solomon*

Ark*

Elvin*

Franklin*

Pioneer*

Blake*

Oval*

Acton

Byron*

Priory*

Soane*

John Keats*

Greenwich*

Bentworth

Burlington Danes*

Conway*

White City

Evelyn Grace*

Isaac Newton*

All Saints*

Globe*

Walworth*

Brunel*

Bolingbroke*

Putney*

John Archer*

Alexandra*

Blacklands*

Little Ridge*

Castledown*

Ayrton*

Charter*

Dickens*

Boulton*

Kings*

St Alban's*

Tindal*

Victoria*

*These schools have schemes that have been valued at a net asset position. Under the rules of the schemes, the surpluses are not recoverable, and as such, the recognition of these surpluses on the balance sheet has been restricted by its ceiling amount as calculated by the scheme actuaries. The adjustment for this cumulative 'asset ceiling' of £56,406k has been offset against the overall actuarial gain for the year as shown in the reconciliation of movements in the present value of defined benefit assets.

Notes to the financial statements 31 August 2025

20. Pensions and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Range of principal actuarial assumptions:

	2025 percent Average	2024 percent Average
Rate of increase in salaries	3.65	3.65
Rate of increase in pension payments	2.65	2.65
Discount rates	5.95	5.00
Inflation assumptions	2.65	2.65

The current mortality assumptions included sufficient allowance for future improvements in mortality rates. The range of assumed life expectations in years beyond the retirement age of 65 across the funds are:

	2025 Lowest	2025 Highest	2024 Lowest	2024 Highest
Retiring today				
Males	19.5	22.4	19.2	22.0
Females	22.7	24.8	22.6	24.6
Retiring in 20 years				
Males	20.8	22.6	20.5	22.3
Females	24.2	25.7	24.1	25.6

	At 31 August 2025 £'000	At 31 August 2024 £'000
Sensitivity analysis – increase (decrease) in overall deficit		
Discount rate +0.1percent	(2,260)	(2,576)
Discount rate -0.1percent	2,321	2,648
Mortality assumption – 1 year increase	2,060	2,542
Mortality assumption – 1 year decrease	(1,881)	(2,308)
CPI rate +0.1percent	2,362	2,668
CPI rate -0.1percent	(2,302)	(2,599)

Notes to the financial statements 31 August 2025

20. Pensions and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	Fair value at 31 August 2025 £'000	Fair value at 31 August 2024 £'000
Ark Schools' share of the assets in the schemes was as follows:		
Equities	57,760	64,418
Corporate/government bonds	33,052	32,139
Property	10,340	9,484
Cash	2,933	3,388
Other	3,051	7,611
Total market value of assets	107,136	117,040

	2025 £'000	2024 £'000
The amounts recognised in statement of financial activities were as follows:		
Current service cost	6,845	6,589
Net finance cost	(110)	(80)
Admin expenses	422	404
Total amount recognised in the SOFA	7,157	6,913

	2025 £'000	2024 £'000
Movements on the overall deficit during the year was as follows:		
Deficit at 1 September 2024	(1,529)	(2,175)
Current service cost	(6,843)	(6,589)
Administration cost	(422)	(404)
Employer contributions	7,754	7,688
Net finance cost	110	80
Actuarial gain (loss)	185	(129)
At 31 August 2025	(745)	(1,529)

	2025 £'000	2024 £'000
Changes in the present value of defined benefit obligations were as follows:		
At 1 September 2024	118,568	106,415
Current service cost	6,843	6,589
Interest cost	5,976	5,631
Employee contributions	2,985	2,849
Actuarial gain (loss)	(25,416)	(1,871)
Benefits paid	(1,076)	(1,044)
At 31 August 2025	107,880	118,568

Notes to the financial statements 31 August 2025

20. Pensions and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Movements in the present value of defined benefit assets were as follows:	2025 £'000	2024 £'000
At 1 September 2024	117,042	135,795
Expected return on assets	6,083	5,711
Administration expenses	(422)	(404)
Employer contributions	7,754	7,688
Employee contributions	2,985	2,849
Actuarial (loss) gain	(378)	(2,000)
Benefits paid	(1,076)	(1,044)
Cumulative effect of asset ceiling	(24,853)	(31,553)
At 31 August 2025	107,135	117,042

The five years history of experience adjustments as at 31 August is as follows:

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Present value of scheme obligations	(107,880)	(118,568)	(106,415)	(123,939)	(201,565)
Fair value of assets	107,136	117,040	104,240	104,902	111,123
Net deficit in schemes	(745)	(1,528)	(2,175)	(19,037)	(90,442)
Experience gains on scheme assets	(25,231)	(2,000)	(13,541)	(15,307)	18,330
Experience gains on scheme liabilities	25,416	1,871	33,086	104,355	(34,225)

21. Lease commitments

At 31 August 2025, the total of Ark Schools' future minimum lease payments under non-cancellable operating leases was as follows:

Land and buildings	2025 £'000	2024 £'000
Amounts due within one year	470	603
Amounts due between one and five years	1,881	1,991
Amounts due after five years	1,803	2,234
	4,154	4,828

In the year, Ark Schools has entered into a new ten-year lease with EdCity Office, a 100 percent subsidiary of Ark, in the new EdCity development. This lease agreement was approved by the Secretary of State and will see our annual lease commitments fall by a third.

Notes to the financial statements 31 August 2025

21. Lease commitments (continued)

Plant and machinery	2025 £'000	2024 £'000
Amounts due within one year	3,177	556
Amounts due between one and five years	2,789	769
Amounts due after five years	10	6
	5,976	1,331

The property occupied by Ark Kings Academy was financed by a Private Finance Initiative agreement between the PFI contractor and the local authority (the owner of the freehold). Ark Schools is subject to a sub-agreement with the Local Authority which requires Ark Schools to make an annual contribution towards facilities management for a period of 25 years expiring on 30 April 2042. At 31 August 2025, the total of Ark Schools' future minimum commitments under this sub-agreement was as follows:

Property occupied by Ark Kings Academy	2025 £'000	2024 £'000
Amounts due within one year	103	100
Amounts due between one and five years	554	541
Amounts due after five years	1,540	1,657
	2,197	2,298

The property occupied by Ark Acton Academy was financed by a Private Finance Initiative agreement between the PFI contractor and the local authority (the owner of the freehold). Ark Schools is subject to a sub-agreement with the Local Authority which requires Ark Schools to make an annual contribution towards facilities management for a period of 13 years expiring on 31 July 2032. At 31 August 2025, the total of Ark Schools' future minimum commitments under this sub-agreement was as follows:

Property occupied by Ark Acton Academy	2025 £'000	2024 £'000
Amounts due within one year	882	853
Amounts due between one and five years	3,529	4,266
Amounts due after five years	1,764	1,706
	6,175	6,825

22. Capital commitments

At 31 August 2025, the group had capital commitments as follows:

	2025 £'000	2024 £'000
Contracted for but not provided in the financial statements	4,762	3,475

Notes to the financial statements 31 August 2025

23. Related party transactions

Transactions with Ark

Ark Schools is sponsored by Ark, which is also the principal member of Ark Schools. Ark is a charitable company and has one trustee (2024: one) in common with Ark Schools. Ark manages all fundraising on behalf of Ark Schools. The following donations were received from Ark during the year:

Donations from Ark (Note 2 and Note 5)	2025 £'000	2024 £'000
White City Primary building	—	1,681
Extracurricular programmes: music, pathways and enrichment	1,292	1,149
Ark Learning Institute	750	300
Mental Health Initiatives	305	347
Ark Schools Coronavirus Appeal	130	137
Digital transformation, data modernisation and website development	1,118	83
Ark Schools' Projects and Growth	789	307
	4,384	4,004

There was £6.4m (2024: £9.5m) of sponsorship due from Ark included in the debtors (note 14).

Ark Schools' central team shares offices and some services with Ark. Costs are charged to Ark based on an agreed apportionment of actual usage. In addition, to achieve group efficiencies, Ark recharges costs incurred for websites and staff costs where team members are working for Ark Schools. The amounts recharged in respect of the year ended 31 August 2025 are included in the tables below. £75k (2024: £nil) of the recharges were included in 'Other Creditors' (note 15).

Costs Recharged to Ark from Ark Schools	2025 £'000	2024 £'000
Recharged to Ark		
Cost of serviced offices	366	762
IT service costs	99	156
Finance technology services	25	21
HR & Governance	215	200
Other staff costs	79	153
	784	1,292

Costs Recharged to Ark Schools from Ark	2025 £'000	2024 £'000
Recharged to Ark Schools		
Communications	280	275
Other staff costs	140	—
	420	275

Notes to the financial statements 31 August 2025

23. Related party transactions (continued)

Transactions with EdCity Office

In September 2025, Ark Schools moved from the Yellow Building to EdCity, signing a lease for the 2nd floor with EdCity Office, a charitable subsidiary of Ark. This lease was approved by the secretary of state. Total lease costs (rent and service charge) have reduced to £687k per annum compared to £990k, which was previously paid to an independent landlord. Ark Schools continues to share offices with Ark and recharges a portion of these lease costs, together with associated costs for managing the serviced office as detailed above

Transactions with EdCity Office	2025 £'000	2024 £'000
Costs Charged by EdCity Office		
Rent and Service Charges for 2 nd Floor EdCity	687	—

Transactions with Ark UK Programmes

Ark has a charitable subsidiary, Ark UK Programmes, which carries out educational work in the UK, principally in relation to provision of extended school programmes at the schools operated by Ark Schools.

Transactions with Ark UK Programmes	2025 £'000	2024 £'000
Income received from Ark UK Programmes		
From Ark Start in respect of Ark Schools nurseries	371	—
Costs Charged from Ark UK Programmes		
From AC+ for Provision of Mastery Curriculum (Maths, English, Science)	275	227

Ark UK Programmes administers the endowment funds for the benefit of certain Ark academies. Each of the academies run by Ark Schools and opened pre-September 2011 was granted an endowment to support the academy in the future. For some of the academies, this was a condition of the funding agreement, but for four, this is in addition to the sponsor capital contribution stipulated in the funding agreement. The initial endowments were received by Ark UK Programmes via Ark and invested as part of a listed investment portfolio.

In addition to the endowments above, surplus funds earned by certain schools within the network may be transferred to Ark UK Programmes for investment in the same listed investments portfolio. At 31 August 2025, the only school investing funds as part of their investment strategy was Ark King Solomon Academy. The investment balance is owed to Ark Schools by Ark UK Programmes and included on the balance sheet.

Investment in Ark UK Programmes	2025 £'000	2024 £'000
Value of Endowments held on behalf of Ark Schools	5,800	5,400
Amount withdrawn during the year	—	300
Amount held in respect of King Solomon Academy	168	155
Unrealised gain recognised in Ark Schools' statement of financial activities	13	17

Notes to the financial statements 31 August 2025

23. Related party transactions (continued)

Transactions with other related parties

There were no other transactions with any other related parties during the current or prior financial years.

The academy trust conducted the above related party transactions in accordance with the requirements of the Academy Trust Handbook, including notifying the DfE (formerly ESFA) of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with their financial regulations and procurement procedures.

24. Trustees' emoluments

The Managing Director is also a Trustee of Ark Schools. The total amount of employee benefits paid by Ark Schools received by the Managing Director, Lucy Heller, was nil (2024: nil). The total paid to the Managing Director, as the CEO of Ark (rather than as Trustee of Ark Schools), was £216,300 (2024: £214,931). In addition, a pension contribution of 11 percent was made, totalling £23,793 (2024: £23,642)

No trustees of the company received any payment or other emoluments from Ark Schools in the reporting period (2024: none). No trustees had any beneficial interest in any contract with Ark Schools during the year (2024: none).

25. Trustees', Governors', and Officers' insurance

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business with cover up to £5m in the aggregate inclusive of costs. The insurance additionally provides for corporate legal liability and employment practices liability. For the year ended 31 August 2025, the premium is £7,442 (2024: £15,179). The cost of this insurance is included in the total insurance cost.

Notes to the financial statements 31 August 2025

26. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the DfE. In the accounting period ending 31 August 2025, the academy trust received £296k and disbursed £340k from the fund. As at 31 August 2025, the cumulative unspent 16-19 bursary fund is £319k of which nil relates to undistributed funding that is repayable to the DfE. Comparatives for the accounting period ending 31 August 2024 are £312k received, £382k disbursed, total cumulative unspent fund of £276k of which nil was repayable to the DfE.

The trust also receives and distributes teacher training bursaries as agent for the DfE.

	2025	2024
	£'000	£'000
16-19 bursaries	296	312
Teacher training bursaries	3,098	2,054
	3,394	2,366

An amount of £nil is held in other creditors at the end of the year repayable to the DfE (2024: £nil).

27. Taxation

Ark Schools is a charity (by statute) and therefore is not liable to income tax or corporation tax on income from charitable activities, as it falls within the exemptions available to registered charities.

Notes to the financial statements 31 August 2025

28. Comparative statement of financial activities

		Unrestricted funds £'000	General funds £'000	Pension reserve £'000	Fixed assets fund £'000	2024 Total funds £'000
Income from:						
Donations and capital grants	2	—	3,628	—	14,184	17,812
Other trading activities	3	1,940	1,095	—	—	3,035
Investments and interest receivable		288	34	—	—	322
Income from charitable activities						
. Funding for Ark Schools' educational operations	4	15	259,789	—	—	259,804
. Project management grants	5	—	307	—	—	307
. Teaching School		—	543	—	—	543
Other income	6	119	2,399	775	—	3,293
Total income		2,362	267,795	775	14,184	285,116
Expenditure on:						
Raising funds	8a	1,950	—	—	—	1,950
Charitable activities						
. Ark Schools' educational operations	8b	10	267,331	—	20,928	288,269
. Development costs	8d	1	1,962	—	—	1,963
. Teaching School	8e	—	443	—	—	443
Total expenditure	7	1,961	269,736	—	20,928	292,625
Net income (expenditure) before investment gains and losses		401	(1,941)	775	(6,744)	(7,509)
Net gains on investments		—	17	—	—	17
Net income (expenditure) before transfers		401	(1,924)	775	(6,744)	(7,492)
Gross transfers between funds	16	—	(3,985)	—	3,985	—
Net income (expenditure)		401	(5,909)	775	(2,759)	(7,492)
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	19	—	—	(129)	—	(129)
Net movement in funds		401	(5,909)	646	(2,759)	(7,621)
Fund balances brought forward at 1 September 2023	16	1,793	9,185	(2,175)	505,368	514,171
Fund balances carried forward at 31 August 2024		2,194	3,276	(1,529)	502,609	506,550

Notes to the financial statements 31 August 2025

29. Reconciliation of operating position

Year ended 31 August 2025

General funds

	Unrestricted funds £'000	Restricted funds £'000	Total Revenue Reserves £'000	Other funds		Total funds £'000
				Pension Reserve £'000	Fixed assets fund £'000	
Fund balance brought forward	2,194	3,276	5,470	(1,529)	502,609	506,550
Fund balance carried forward	2,930	3,596	6,526	(747)	499,706	505,485
Net increase (decrease) in funds (as per the statement of financial activities)	736	320	1,056	782	(2,903)	(1,0645)
Add:						
Transfer of revenue to fixed assets fund			3,039			
Operational surplus			4,095			

The operating surplus disclosed is deemed to equal net income before transfers in respect of the unrestricted funds and the restricted general funds. It excludes capital income and expenditure, buildings transferred into the network, non-cash pension adjustments in respect of defined benefit schemes, and any inherited revenue reserves.

Year ended 31 August 2024

General funds

	Unrestricted funds £'000	Restricted funds £'000	Total Revenue Reserves £'000	Other funds		Total funds £'000
				Pension Reserve £'000	Fixed assets fund £'000	
Fund balance brought forward	1,793	9,185	10,978	(2,175)	505,368	514,171
Fund balance carried forward	2,194	3,276	5,470	(1,529)	502,609	506,550
Net increase (decrease) in funds (as per the statement of financial activities)	401	(5,909)	(5,508)	646	(2,759)	(7,621)
Add:						
Transfer of revenue to fixed assets fund			3,985			
Operational deficit			(1,523)			