

ark
absolute return for kids

Annual report 2011



Chairman's introduction	1
About ARK	2
UK Education	6
International Education	12
Health	16
Child Protection	22
Our funding	25
Our partners	28
Programme expenditure	31

Chairman's introduction

Ten years ago ARK started as a group of committed philanthropists from the hedge fund industry. We pooled our resources not only to ensure that our own money was well spent, but also to encourage our friends and peers to give and get involved in transforming the lives of children whose plight had inspired us to act.

From the start we asked how we could make the biggest difference with the money we raised and how we could ensure that our impact was sustained. Innovation and effectiveness were our guiding principles.

Our journey so far

In the UK, we realised we could best help disadvantaged young people by turning around failing schools. Together with solid, expert management, ARK's initial financial investment ensures that ongoing state funding provides children with a high quality education that will enable them to make the most of their lives, regardless of background.

And it works: in 2011, 61% of ARK academy pupils achieved the five good GCSE grades that provide a passport to further study, higher education and a rewarding career. This compares to an average of 19% in the predecessor schools six years ago.

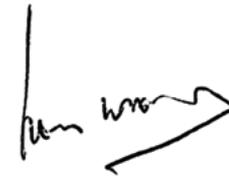
In developing countries, our programmes build national capacity in health, education and child protection to ensure that our impact continues long after we have handed over to local partners. This year, for example, our technical support to Zambia's health system contributed to securing a conditional agreement from the Global Alliance for Vaccines Initiative (GAVI) to fund the national roll-out of the vaccination against rotavirus, one of the biggest killers of children under five.

Looking ahead

We have come a long way in ten years: together, the ARK family has raised over £172m and more than 300,000 children have

benefitted. To help take us to the next stage in our journey, I am delighted to welcome Nick Jenkins as our new Global Chief Executive Officer. A talented entrepreneur who brings a fresh perspective to our unique philanthropic collective, he is fortunate to be working with a passionate, intelligent and experienced group of people to fund, develop and implement our strategy going forwards.

We will continue to be innovative and effective but, above all, we will never forget that the reason we started ARK was to make a real difference to children's lives. I hope this Annual Report helps you appreciate just a few of the achievements your support has made possible.



Ian Wace, Chairman

ARK is an international organisation whose purpose is to transform children's lives.

We believe in:

1 High impact

Our programmes focus on interventions that make the biggest improvements to children's lives and invest our donors' money in the most effective ways possible.

2 Lasting change

By working with local, national and international partners and having a clear exit strategy from the outset, we develop solutions which continue to improve children's life chances long after our involvement ends.

3 Measurable social returns

Each programme starts with an evidence-based plan of action which we then test and refine. We aspire to measure our impact rigorously and share our experience with governments and other not-for-profit organisations to achieve positive change for children.

4 Innovation

We find new solutions to challenging problems, basing our innovative approaches to education, health and child protection on the vast evidence generated by our peers and partners.

Since 2002:

300,000 children

More than 300,000 children have benefited from ARK's programmes over the past 10 years.

£170m raised

ARK has raised over £170m, making us one of the UK's fastest-growing fundraising charities. We are grateful for the loyal support and strong involvement of our trustees, patrons and donors.

100% return

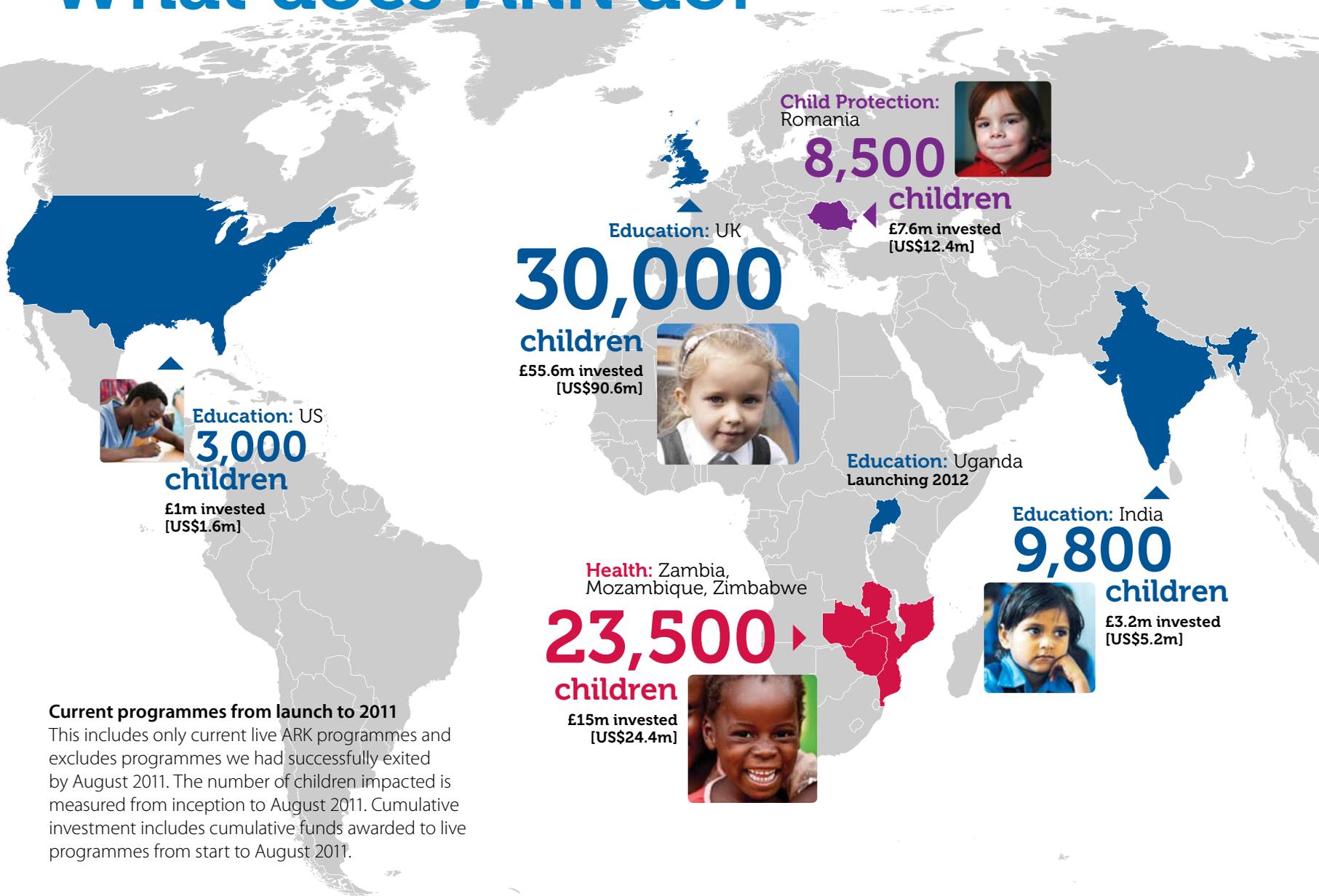
100% of donations go directly to our programmes for children as our trustees and patrons ensure that central administrative costs are met.



New Delhi, India



What does ARK do?



Current programmes from launch to 2011

This includes only current live ARK programmes and excludes programmes we had successfully exited by August 2011. The number of children impacted is measured from inception to August 2011. Cumulative investment includes cumulative funds awarded to live programmes from start to August 2011.

Ensuring children achieve their potential

ARK Schools

6,400 children are enrolled for 2011/12 across our 11 schools

61% of ARK's GCSE pupils achieved five A*-C grades (including English and maths) in 2011, up 11 percentage points since 2010 and more than twice the national rate of improvement

Our aim is to build a network of high-achieving, non-selective inner-city schools where every child will make the most of their abilities, regardless of their background. Our approach sets high expectations for everyone. We strive to provide excellent teaching and build confidence and competence in English and maths as a foundation for all other learning. We insist on exemplary behaviour from students and provide more time for learning through a longer school day.

We want every pupil at ARK's academies to do well enough by the age of 18 to go on to university or pursue the career of their choice. There is still a substantial achievement gap between children from poor backgrounds and their more affluent peers. Yet despite coming from some of England's most deprived inner-city communities, ARK's pupils now outstrip national GCSE achievement.

Our impact

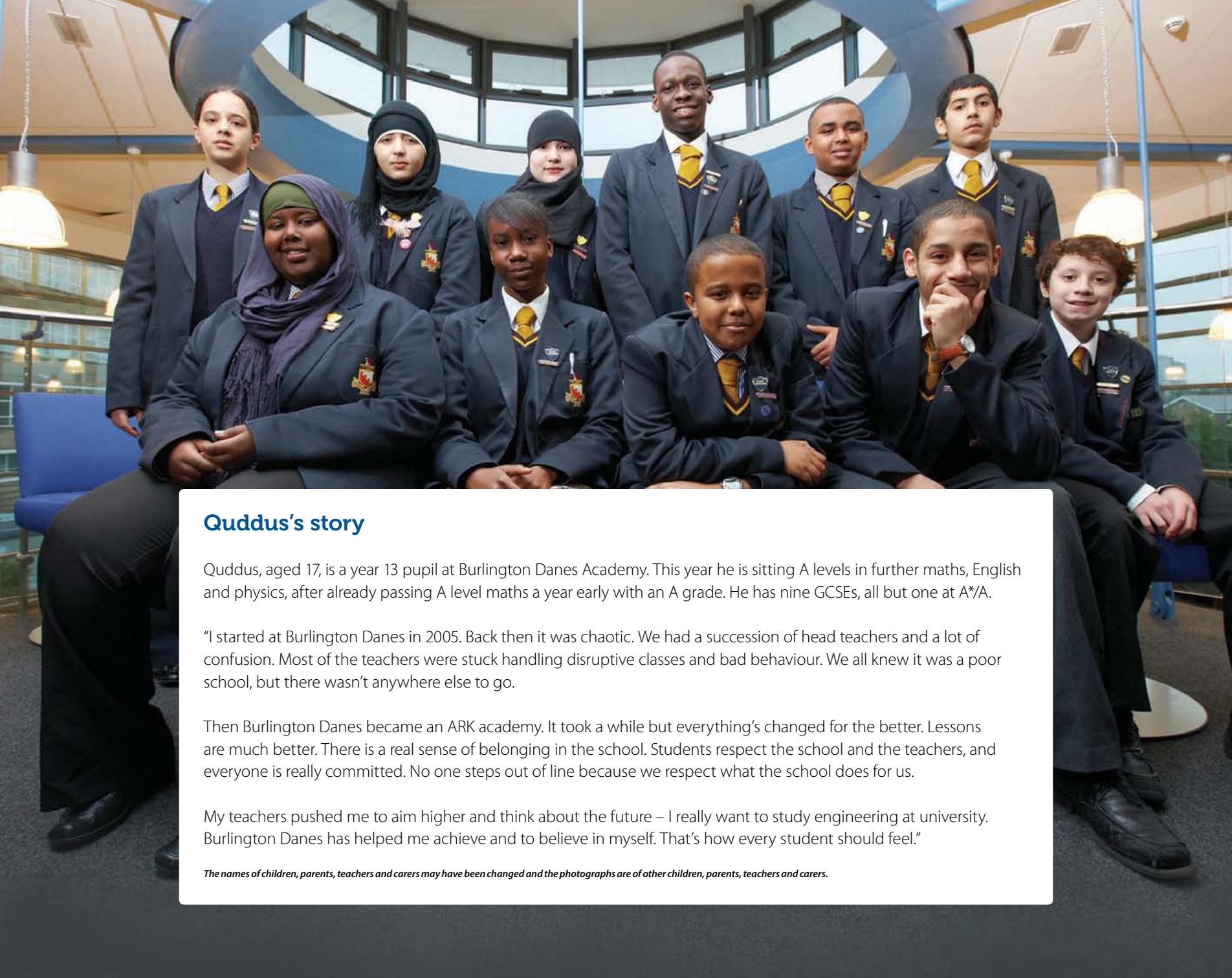
Our 11 academies in London, Birmingham and Portsmouth now teach 6,400 pupils and

admit around 1,500 new pupils each year. The ARK Schools network includes three academies spanning the full 3 to 18 age range, five secondary academies and three primary academies which opened in September 2011.

Academic results across our schools continued to improve in 2011. In our primary academies, in reading, writing and mathematics, our 7-year-olds exceeded national average attainment by an average of 24 percentage points. At GCSE, 61% of our pupils achieved at least five A*-C grades including English and maths (the basic passport needed to study or train further). Six years ago, before they became ARK academies, the same schools achieved just 19% on average. Our pupils now exceed national GCSE attainment in both English and maths.

More than two-thirds of ARK's first sixth form cohort, at Burlington Danes Academy, secured places at their first choice university.

Read more about our academies
www.arkonline.org/academies



Quddus's story

Quddus, aged 17, is a year 13 pupil at Burlington Danes Academy. This year he is sitting A levels in further maths, English and physics, after already passing A level maths a year early with an A grade. He has nine GCSEs, all but one at A*/A.

"I started at Burlington Danes in 2005. Back then it was chaotic. We had a succession of head teachers and a lot of confusion. Most of the teachers were stuck handling disruptive classes and bad behaviour. We all knew it was a poor school, but there wasn't anywhere else to go.

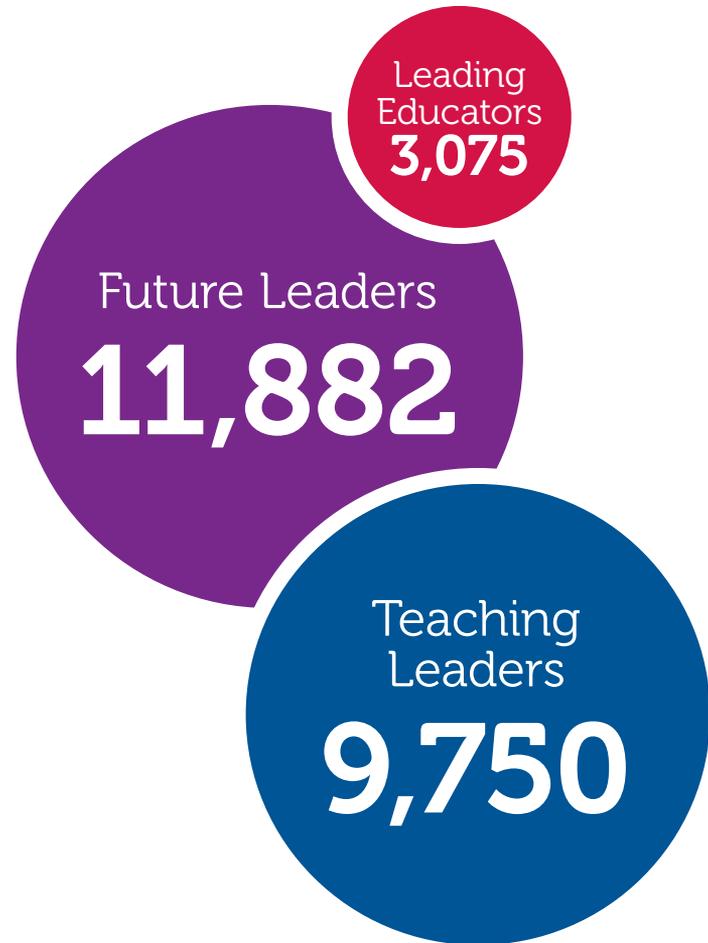
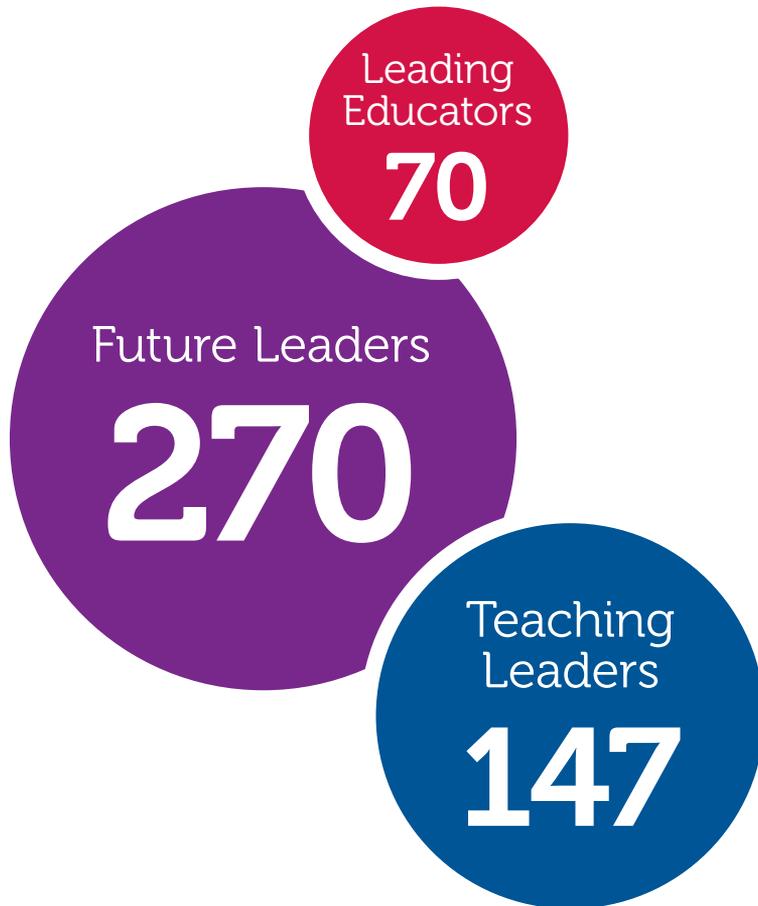
Then Burlington Danes became an ARK academy. It took a while but everything's changed for the better. Lessons are much better. There is a real sense of belonging in the school. Students respect the school and the teachers, and everyone is really committed. No one steps out of line because we respect what the school does for us.

My teachers pushed me to aim higher and think about the future – I really want to study engineering at university. Burlington Danes has helped me achieve and to believe in myself. That's how every student should feel."

The names of children, parents, teachers and carers may have been changed and the photographs are of other children, parents, teachers and carers.

Teachers who have completed or enrolled in leadership programmes by August 2011

Children impacted by August 2011*



* For a full definition of how we measure the number of children impacted please refer to www.arkonline.org/impact

Giving teachers the leadership skills to transform young lives

Schools with a Future Leader head teacher in post achieved an average increase of

7%

points from 2010 to 2011 in the proportion of pupils achieving five good GCSEs

72% of pupils in departments led by Teaching Leaders in 2011 achieved five good GCSEs, up from 58% two years ago before the teachers joined the programme

(Preliminary data at 31 August 2011)

There is clear evidence from Ofsted to show the strong link between children's achievement and the quality of leadership available in their schools. Our programmes are training a generation of future school leaders in the school and classroom management skills that are vital for raising the grades of disadvantaged children. As with ARK Schools, we judge ourselves by the key benchmark of five A*-C GCSEs including English and maths. With almost one in five young people not in education, employment or training, this is the minimum passport children need to study further or secure rewarding employment.

We are working with three leadership programmes. In the UK, **Future Leaders** nurtures outstanding teachers to take up

headships and other senior positions in challenging schools. We launched in 2006, in partnership with the National College and the Specialist Schools and Academies Trust.

Teaching Leaders develops middle leaders such as Heads of Department and Heads of Year. This initiative was set up in 2008, with the National College and Teach First. Both our UK leadership programmes are restricted to teachers who already work in challenging schools so that we make the maximum difference for disadvantaged children.

Leading Educators, our first programme in the United States, draws on the experience of Teaching Leaders and targets mid-level teachers in poor-performing urban schools.

Future leaders

Participants usually resign their current jobs to spend the first year of the programme on a full-time apprenticeship in a senior position in a high-need school.

They receive further ongoing support and mentoring for two years with the aim of becoming a head of a challenging school within four years from the start of the training. There are now 22 Future Leader head teachers. (December 2011).

Read more about our work with the head teachers of tomorrow
www.arkonline.org/futureleaders

Teaching Leaders

Applicants must commit to stay at their school for at least two years and give up their own time for training. Each participant designs and implements an 'improvement initiative' with the goal of raising the performance of a specific group of 50-100 underachieving secondary pupils.

In July 2011, the Department for Education confirmed additional funding of £8.9 million. This will enable us to train and develop over 1,000 participants - an almost seven-fold increase. During the next three years, Teaching Leaders will help to improve the prospects of thousands of children across 400 challenging schools.

Read more about our work with mid-level teachers
www.arkonline.org/teachingleaders

Leading Educators

Children from low-income families in the US are seven times less likely to complete their secondary education than their more affluent counterparts. Part of the problem is the large proportion of teachers in high-need schools who leave their jobs each year.

Leading Educators is helping to reduce this damaging turnover by filling a gap in professional development. Most US government teacher development programmes focus on heads or class teachers, but we train mid-level teachers to contribute to the leadership of their whole school. Leading Educators has attracted funding from the Bill & Melinda Gates Foundation amongst others.

Read more about our work in the US
www.arkonline.org/leadingeducators



A Headmaster's story

David Millar was among the first intake of Future Leaders in 2006. He is now Head of the Oasis Academy Coulsdon, Surrey, which in 2011 achieved its best ever GCSE results.

"I took over as Principal of Oasis Academy Coulsdon in January 2009, when the school had just started to rebuild its reputation. From the start, we set deliberately high targets, changed the curriculum and introduced additional classes for those who needed extra support to ensure they achieved their potential. We also set high standards for behaviour... I suppose it's quite old school values: we don't confront the kids, but we challenge their expectations all the time, we want them to be proud of themselves.

Our results for the 2011 GCSE pupils are a testament to the hard work and dedication of all the students and staff. 49% of pupils achieved 5 A*-C grades including English and maths. This is an 18 percentage points' improvement from the predecessor school's results. We have amazing students and it's wonderful to be able to celebrate so many individual successes."

The photographs are of other children and teachers than those mentioned in the case study.

Lifting children out of poverty through high quality education in **India**

9,121 disadvantaged children are learning to write and speak English to improve their life chances

Using our phonics-based teaching method, their average scores have been at least

double those of pupils taught by traditional methods

667 children, of whom half were not enrolled in any school before, are now attending affordable, high-quality primary schools as part of our pilot in Delhi

Education opens the door to a better life in India. Yet too many disadvantaged children never complete their schooling and do not acquire skills, notably English, that will help them escape from poverty. Our two programmes in India aim to have an immediate and profound impact on children's life prospects by offering them an affordable, quality primary education.

Firstly, our English language programme gives children from deprived backgrounds the opportunity to transform their future prospects by becoming proficient in the language. The phonics-based interactive teaching method we use achieves rapid results but has not been widely accessible to children in government and low cost private schools. Our programme aims to change this.

Secondly, our school access programme is now being piloted in one of the poorest parts of Delhi. While a new law requires private schools to set aside a quarter of their places for non-fee paying children, in reality take-up of these places has been slow. To ensure vulnerable children can benefit from the new law, we identified affordable schools with good standards, promoted them to poorer families and offered vouchers to cover additional schooling expenses such as uniforms and text books.

Both programmes offer long-term affordable approaches to India's education challenges and have the potential to expand nationally.

Our impact

Children in our programmes are doing well at school and are enthusiastic about learning. An interim evaluation found that average scores for English writing and conversation among pupils were at least double those of pupils taught by traditional methods. A total of 558 teachers have undergone intensive training in teaching English using our method. Over the four year programme, we aim to reach over 60,000 children.

The strong partnerships we have already formed with government agencies and other philanthropic bodies in India will be key to facing the difficult challenge of scaling up our work.

Read more about helping children
access affordable, quality education
www.arkonline.org/india



Shivangi's story

Six-year-old Shivangi dropped out of school in 2010 when her parents could no longer afford the cost of a private school. Shivangi's father was earning only 6,000 rupees a month (less than £80), which barely covered the daily living costs of the five members of the family.

Shivangi's parents wanted their daughter to have a good education, and were unhappy with the quality of teaching at their local free government school. So in 2011 the family used one of our school vouchers to enrol her for a free place at the private AN Memorial Convent School in Delhi. Shivangi loves her new school, and her teacher is thrilled with her performance. Shivangi has now come second highest in her class with a score of 93% in her recent exams.

The names of children, parents, teachers and carers may have been changed and the photographs are of other children, parents, teachers and carers.





*Lamwo Kuc Ki Gen High School, Padibe, Uganda
Operated by PEAS*

Image: © PEAS

From 2012

Our new education programmes

Improving children's life chances through affordable high quality secondary education in **Uganda**

Only one in five secondary school-aged children in Uganda is enrolled at school, which means the majority lose out on key years of education that could help lift them out of poverty. ARK's new public-private partnership initiative will help establish and manage up to 10 new secondary schools, providing a quality education for more than 21,500 children over the next decade. Our aim is to demonstrate how publicly funded, privately delivered education can help Africa meet its huge education challenges in the longer term.

Read more about our secondary education programme
www.arkonline.org/uganda

Boosting children's learning and confidence through affordable school outdoor challenges in the **UK**

A wide body of evidence shows that children who take part in challenging outdoor expeditions learn better and gain in self-confidence. Yet pupils from low-income families are often denied that opportunity. Our new initiative, piloted in September 2011, will support schools to run low cost outdoor challenges to widen pupils' horizons.

Read more about how we give children outdoor challenges
www.arkonline.org/expandinghorizons

Keeping parents and carers alive in

Mozambique

23,554 children are benefiting from the antiretroviral (ART) programme

11,026 patients have enrolled on ART at ARK-supported sites

Mozambique has the second highest rate of new adult HIV infections in the world. As a result, around 400,000 children have already been orphaned by AIDS. Our programme supports the Ministry of Health to provide treatment that keeps HIV-positive parents and caregivers alive for longer and prevents children from being orphaned. We are strengthening a struggling national health care system by working towards the roll-out of cost-effective HIV care initiatives.

We work directly with five government health clinics in Maputo Province to deliver antiretroviral therapy (ART), better monitoring of patients' treatment and counselling for people with HIV.

Our team works hard to ensure adults and children adhere to the life-saving treatment they need through home visits, support groups and rigorous follow-up using innovative technology.

In 2010, together with the Clinton Health Access Initiative, we piloted 'point-of-care'

testing which allows key blood tests for HIV-positive patients to be carried out directly at their local clinic. This radically shortens the time between HIV diagnosis and treatment, encouraging patients to start and continue with their medication. The pilot will be scaled up to 100 health centres across Mozambique in 2012. In 2011 our approach was featured in the world's leading general medical journal The Lancet.

In early 2012 – in partnership with Vodacom – we will also test mobile phone text messaging as a cost-effective approach to ensure patients stay on their treatment.

We planned from the outset to ensure that the services we provide would continue without our support from 2013 onwards. We are now gradually handing over to the government and local healthcare and support workers.

Read more about our work
in Mozambique
www.arkonline.org/mozambique

Our impact

By keeping parents and carers alive we greatly improve their children's life chances. Since 2008, 23,554 children have benefited, by keeping their caregivers alive for longer or treating the children themselves. During 2010/11, a total of 4,767 new patients enrolled on ART, and an additional 9,615 children benefitted from the programme during the year as a result.

There are many challenges in delivering a health programme in Mozambique, due to the acute shortage of trained professionals. Everything we are doing is designed to make sure that our work has an enduring impact after we exit at the end of 2012.



Graça's story Graça is a 36-year-old market trader with an 18-month-old son, Junior, living in Machava.

"I was working at night in a bar, in really bad health with headaches and sores all over my body. Traditional medicine wasn't making me better. My boss sent me for an HIV test at a local police clinic, and when I tested positive I was fired.

I went back to the testing clinic but they couldn't give me the treatment I needed. So I was sent to ARK's Machava II health centre. They immediately put me on ART. It was when I was feeling stronger that I found out I was pregnant. But the father then left me. They put me on extra treatment to protect my unborn son. Junior's now 18 months old and has never had HIV.

The monthly support groups at Machava II helped us all feel we were not alone. And the attention from the nurses means I have kept to my treatment and never given up. If it wasn't for ARK and the Machava II health centre I wouldn't be here today - and my baby wouldn't be alive today."

The names of children, parents and carers may have been changed and the photographs are of other children, parents and carers.

Preventing child diarrhoea deaths in Zambia

Over **700,000** infants will be vaccinated against rotavirus diarrhoea infection by 2015

560 health workers will be trained in diarrhoea prevention and treatment by early 2014

Read more about our work in Zambia
www.arkonline.org/zambia

Diarrhoea causes more deaths of young children in sub-Saharan Africa than AIDS, malaria and measles combined. Yet this health challenge still attracts relatively little investment. Our Zambia programme aims to play an influential role by supporting the development of an integrated anti-diarrhoea approach for Africa that includes three elements: infant vaccination, better medical treatment and prevention.

Working with our local partner, the Centre for Infectious Disease Research in Zambia (CIDRZ), and the Ministry of Health, we aim to strengthen the Zambian health system. Our immediate goal is to reduce the 15,000 diarrhoea-related deaths a year among children under the age of five. Up to one in three of these deaths is due to rotavirus, an easily transmitted infection for which there is now an effective vaccine.

Our programme will speed up the introduction of this vaccine, train and mentor nurses and clinic staff to treat children with diarrhoea and raise community awareness of how to prevent diarrhoea. To date we have invested in a new paediatric training clinic and essential vaccine cold storage facilities.

By creating momentum for change, we believe we can draw in bigger players to support our ambition. ARK was the first organisation to receive match-funding from the UK government for the Global Alliance for Vaccines (GAVI). Together with a vaccine donation provided by GlaxoSmithKline in October 2011, this will more than double the impact of our £2 million investment in vaccines. The Bill & Melinda Gates Foundation has more recently co-invested in the monitoring and evaluation of the programme, which will help provide crucial evidence of future results.

Our impact

Success will mean that diarrhoea will no longer be a fatal disease for Zambia's 2.4 million children under five. In the first instance we are working with CIDRZ to reduce deaths among under fives in Lusaka Province by 15 per cent, by 2014. We intend to vaccinate the first 65,000 children against rotavirus by August 2012.

We are also helping to increase the number of nurses and other clinic staff skilled in

treating children dangerously dehydrated from diarrhoea. The ARK- funded training clinic in Lusaka province opens in January 2012 and will train 560 health staff over two years, using a new curriculum developed by CIDRZ and the Ministry of Health.

Our technical support and investment in Zambia's low-temperature vaccine storage network have helped the Ministry of Health to secure GAVI's conditional agreement to fund a national rotavirus vaccination programme from 2013 that will benefit every infant.

We are at the start of a long journey, and it will be years before diarrhoea no longer causes thousands of young children to die in Zambia. But we believe the lessons from our comprehensive programme can increase confidence within the region that Zambia and other African countries can fulfil this ambition.



Kanyama Clinic, Lusaka, Zambia

Saving the lives of pregnant mothers and newborns in Zimbabwe

12,600 newborns can be saved over 10 years by training local nurses and healthcare workers in emergency life-saving skills

4,500 mothers over the next decade will no longer die from pregnancy and childbirth complications

Zimbabwe is one of the few countries in the world where a woman's risk of dying from pregnancy-related causes has escalated in recent years. Our new programme aims to reverse this trend and save the lives of thousands of pregnant women and newborns. Currently, a pregnant woman in Zimbabwe is almost 100 times more likely to die because of pregnancy or birth complications than in the UK. Newborns are 10 times more likely to die. Yet a majority of these deaths can be prevented.

In collaboration with a range of organisations, our goal is to address the immediate need for life-saving care from early 2012, while also putting in place a solution for the medium to long term. We will achieve this by tackling Zimbabwe's severe shortage of skilled nurses and healthcare workers. We will also introduce simple and affordable life-saving equipment that can be adopted at scale to address the problem nationally.

Our impact

We aim for all district hospitals to be staffed by clinical officers within three years so that all pregnant women and newborns will have access to life-saving care. These clinical officers are midwives skilled in the provision of caesarean section and other critical emergency surgical procedures. We focus on training clinical officers because 90 per cent stay working in rural areas where they are most needed, whereas 95 per cent of doctors move away.

This intervention alone should save 4,500 mothers and 12,600 newborns over ten years. In addition, about 9,000 children will avoid being orphaned. A linked initiative to upgrade equipment and skills in 20 district hospitals aims to cut newborn deaths from lack of oxygen at birth by up to half.

Read more about our work in Zimbabwe
www.arkonline.org/zimbabwe

Supporting the legacy
of our work for mothers
and children in
South Africa

The HIV/AIDS programme in South Africa was our first health initiative to be handed over to a local partner - Kheth'Impilo - in 2009 and shows how our work can continue to have a positive impact long after we have exited a programme.

Read how children are still benefitting
www.arkonline.org/southafrica



Grouteville Clinic, Natal, South Africa

Moving children out of harmful institutions and back into families in Romania

2,205 children moved from harmful large institutions to families or small group homes

6,344 children prevented from being abandoned into the state care system

Data from 2002 to August 2011

Our vision is to support the Romanian government in the wholesale reform of the entire childcare system and the closure of all remaining large children's institutions by 2020. To this end, we have been working in partnership with Hope and Homes for Children in Romania for nearly a decade, taking a holistic, long-term approach towards changing the way the state cares for children nationwide.

From the start we have worked to help shut large institutions and relocate children into alternative family-style environments. Wherever possible, children go back to live

with their parents or relatives, or with foster or adoption families. When these options are not available, we seek to place children in small group homes which we were among the first to develop in Romania.

In recent years we have also tackled wider aspects of the national childcare system. We are training and supporting local authorities so they can take the lead in changing the way children are looked after. We also focus on prevention services to support families whose children are at risk of being abandoned.

Children start to flourish almost as soon as they are resettled out of harmful institutions. Half (**47%**) of the children who previously had mobility problems are now walking without support. Almost two-thirds (**60%**) of those who were unable to speak are now talking properly or showing significant speech improvements. And **45%** of children who were unable to feed themselves can now do so.

Source: External evaluation of ARK/Hope and Homes for Children programme in Romania (2002-2005)

Read more about our work in Romania
www.arkonline.org/romania

Our impact

At the end of 2011, Maramures became the first county in Romania to be completely free of large children's institutions. This is an important milestone that demonstrates national reform is possible.

A caring environment can remedy the damage to children caused by years of neglect in large institutions. Children placed with families or in smaller, community-based homes show significant gains in their development.

Between 2002 and August 2011, in partnership with Hope and Homes for Children, we closed 19 large institutions and moved 2,205 children into family-style homes. We have also trained nearly 4,000 carers to work with children in the community. During 2010/11, we prevented 1,552 children from being abandoned or placed into state care.

Much remains to be done, with 11,000 children still in large institutions and disabled young people needing far better services. Yet we are confident Romania will demonstrate to other Eastern European countries that profound reform is possible.

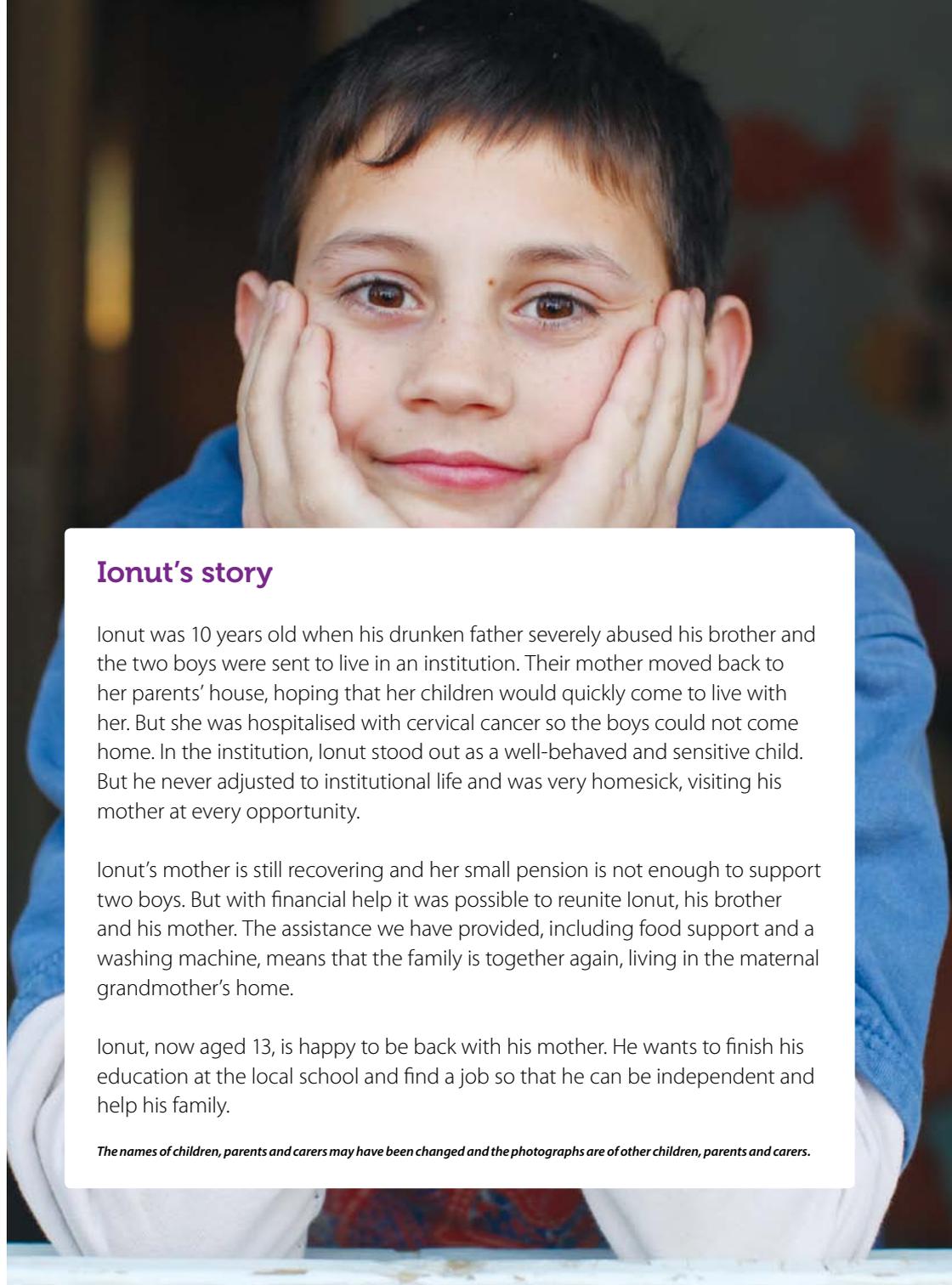
Ionut's story

Ionut was 10 years old when his drunken father severely abused his brother and the two boys were sent to live in an institution. Their mother moved back to her parents' house, hoping that her children would quickly come to live with her. But she was hospitalised with cervical cancer so the boys could not come home. In the institution, Ionut stood out as a well-behaved and sensitive child. But he never adjusted to institutional life and was very homesick, visiting his mother at every opportunity.

Ionut's mother is still recovering and her small pension is not enough to support two boys. But with financial help it was possible to reunite Ionut, his brother and his mother. The assistance we have provided, including food support and a washing machine, means that the family is together again, living in the maternal grandmother's home.

Ionut, now aged 13, is happy to be back with his mother. He wants to finish his education at the local school and find a job so that he can be independent and help his family.

The names of children, parents and carers may have been changed and the photographs are of other children, parents and carers.





Bulgaria

Award for our work in **Bulgaria**

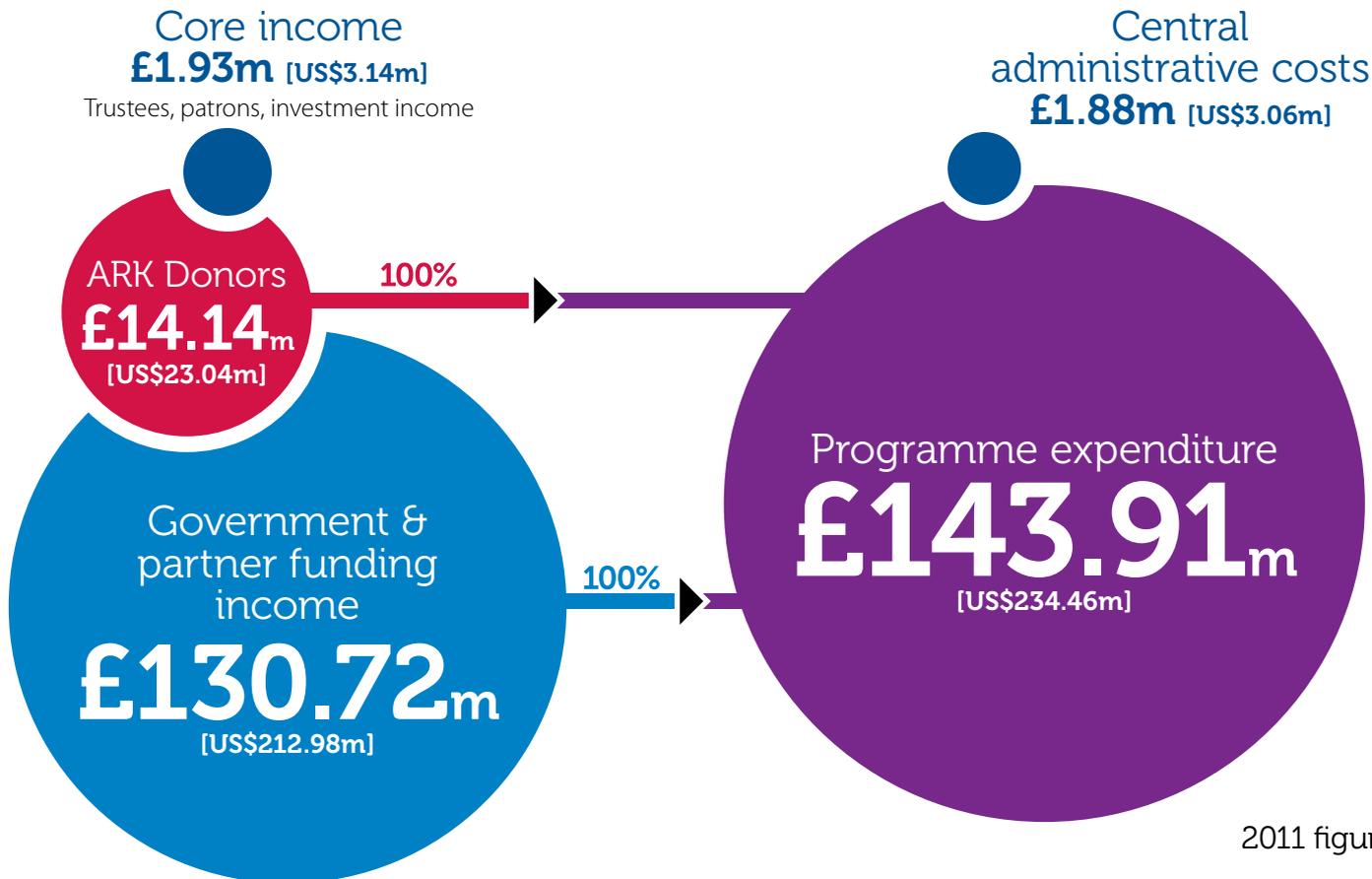
ARK won the International Aid and Development award at the annual UK Charity Awards 2011 for its work in Bulgaria helping children out of institutional care and preventing children from being abandoned. The judges recognised us for achieving the country's first successful closure of a children's institution and for spearheading reform of the way the state protects children.

Read more about Bulgaria
www.arkonline.org/bulgaria

Our funding

100% return

We ensure that 100% of donations go directly to our programmes for children.



2011 figures (y/e August 2011)

Investing donations

Planning ahead

ARK's powerful funding model allows us to commit funds upfront for the full duration of programmes, typically three to five years.

Lasting change

We aim to have a clear exit plan for our programmes from day one, so that children's lives continue to be transformed even after we've left.

Timely investment

As soon as due diligence is complete, our funds are rapidly committed, which means we have limited uncommitted funds.

Cumulative funding of international programmes to 2011 and beyond
for all international programmes, including those successfully exited by 2011



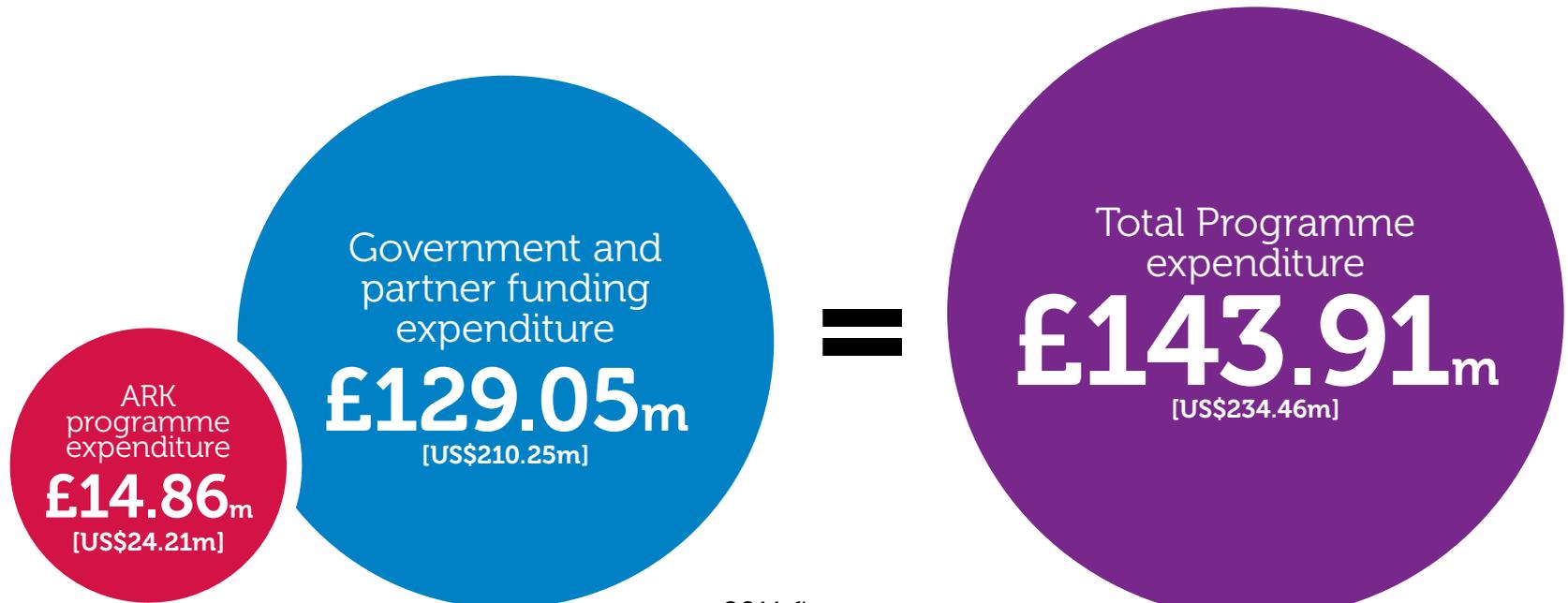
Making money go further

Examples in the UK

ARK has invested £3.2m in the Teaching Leaders programme since 2008, enabling the organisation to secure additional funding of £8.9m from the Department for Education in 2011.

Internationally

ARK was the first organisation to take up the UK government's offer to match private donations through the Global Alliance for Vaccines and Immunisations (GAVI), doubling our £2m investment.



2011 figures (y/e August 2011)

Our partners

ARK is a philanthropic collective. We are the sum of the expertise and knowledge of our donors, patrons, trustees, staff and operational partners. Together we determine how we fund, develop and implement our strategy. Here some of them explain why and how they work with ARK.

Our trustees provide strategic leadership and financial support.

Aurum Funds Limited



Kevin Gundle, Chief Executive Officer of Aurum Funds Limited is a founding trustee of ARK.

“ Each time I visited South Africa, I witnessed the transformation ARK has helped to bring – the return of life and hope. It was inspiring to see medical professionals, previously demoralised by

hopelessness, now stretching the boundaries of care, preserving life, enhancing their communities and helping children.”

Our patrons contribute to our central administration as well as programme costs.

Espírito Santo Investment Holdings Limited



Nick Finegold is Co-CEO and Vice Chairman of Espírito Santo Investment Holdings Limited. Nick and his company have been supporters and patrons of ARK since ARK was founded.

“ Espírito Santo Investment Bank is a proud supporter and corporate patron of ARK. Through our annual Charity Trading Day we have supported ARK’s work for the past 10 years and are thrilled to see the difference that this commitment has made to the lives of thousands of children.

We chose to direct our support to general funds rather than specific programmes. We believe unrestricted funding is crucial to allow ARK to invest in innovative new solutions to radically transform children’s life chances both in the UK and overseas.”

Our donors’ contributions go 100% towards funding our programmes for children.



David Harding is Founder Chairman and Head of Research of Winton Capital Management (a corporate patron of ARK).

“ In 2010 I made a personal donation to an ARK maternal and newborn health programme in Zimbabwe. I hope in some small way that restoring and equipping two rural clinics will save lives that might otherwise be lost.”

Non-government partners

We collaborate closely with other non-governmental organisations on the operations or funding of some of our programmes.

Foundation of Prince William and Prince Harry



Our partnership with the Foundation of Prince William and Prince Harry is based on a shared philosophy of supporting disadvantaged children

and young people, and creating tangible and lasting results. His Royal Highness The Duke of Cambridge launched the partnership saying:

“ Programmes from this partnership will raise aspirations, broaden horizons and encourage young people to achieve what may have seemed to them unachievable.”

Hope and Homes for Children



Stefan Darabus is Country Director for Hope and Homes for Children in Romania. He describes what our partnership has

meant for one child:

“ Dan got his identity card today. He turned 14 a few days ago. His foster father brought cheese pies to our office to celebrate. Dan was with him. We saw a happy, handsome, teenage boy... nothing would tell you he was the one we took from Gardani institution eight years ago. Back then, he was considered to be a problem, as he had seriously challenging behaviour most of the time. Actually, all he longed for was a family. Hope and Homes for Children and ARK were able to help to give him this family. When I saw Dan, when I tasted the cheese pie, I thought: this is confirmation that our efforts are worth taking. And this path is worth going on. Right to the end.”

PEAS (Promoting Equality in African Schools)



John Rendel is the CEO of PEAS (Promoting Equality in African Schools), our operational programme partner in Uganda.

“ ARK’s partnership with PEAS is having a great impact on our ability to give more children access to a quality education in Uganda. Through financial and technical support from the education experts at ARK, PEAS is able to scale our work and ensure a growing emphasis on the quality of education provided in our schools. The partnership is already leading to a step change in our capabilities.”

Government partners

Most of our UK programmes receive public funding and we work closely with the Department for Education. Globally we also seek to work in collaboration with governments to ensure that we improve children's lives today and bring about systemic change to benefit many more in the future.

UK Secretary of State for Education



The Rt Hon Michael Gove MP is the UK Secretary of State for Education.

“It is a genuine pleasure to walk into ARK schools and see the difference they are now making for thousands of young people.”



National College for School Leadership

Toby Salt is Deputy Chief Executive of the National College, a government organisation which co-founded our UK Teaching Leaders and Future Leaders programme.

“ARK has been critical in developing and expanding Teaching Leaders. This is now one of our flagship programmes developing the next generation of leaders in the most challenging schools. The partnership with ARK allows us to leverage wider funding to continue to focus on the most challenging schools.”

Ministry of Health, Zambia

Dr. Peter Mwaba is the Permanent Secretary of the Ministry of Health in Zambia.

“We know that vaccines are the most effective interventions against infectious diseases, and the Ministry of Health is committed to providing access to vaccines for Zambians... The Ministry is very pleased with the collaborative partnership with... CIDRZ and ARK which has enabled us expand the national cold chain capacity to ensure that Zambia takes the lead in introducing multiple vaccines including Pneumococcal, Measles and Rotavirus vaccines.”



Programme expenditure

ARK's programmes are run directly by the charity and, where necessary, through legally separate but closely allied entities. This applies in particular to ARK Schools and Future Leaders in the UK, which are separate from ARK because of the involvement in funding and governance by government and its related bodies.

The total expenditure on ARK programmes was £143.91m in 2010/11, an increase of 6% on the 2009/10 expenditure of £135.5m. Expenditure comprised direct expenditure by the charity and additional funding leveraged from government and other sources directly into ARK Academies and Future Leaders.

Total annual expenditure (y/e 31 August 2011)	£m	US\$ equivalent
ARK	14.86	24.21
ARK Schools ¹		
Educational operations	60.23	98.13
Development and governance	3.04	4.95
Capital expenditure – school buildings	66.23	107.91
Future Leaders ²	4.02	6.55
Less: ARK funding to Academies and Future Leaders ³	(4.47)	(7.29)
Total ARK programme expenditure	143.91	234.46

1. ARK Academies is a separate legal entity from ARK and its financial results for the year to August 2011 are not consolidated in the ARK financial statements. This is because of a controlling legal interest in ARK Academies held by the Department for Education (DfE) as a condition of its funding of the majority of operational and capital development costs.
2. Future Leaders Charitable Trust is also a separate legal entity and its financial results for the 17 months to August 2011 are not therefore consolidated within the ARK accounts. Its programmes are part of the 'Accelerate to Headship Programme' commissioned by the National College for Leadership of Schools and Children's Services and are majority funded by the DfE.
3. ARK's own expenditure on ARK Academies and Future Leaders is eliminated from the above statement to avoid double-counting.
4. Absolute Return for Kids, US, Inc. (ARK US) is a legally independent philanthropic organisation based in New York and affiliated with ARK. It is a 'publicly supported organisation' and is exempt from federal income tax under Section 501(a) of the Internal Revenue Code. In the year to August 2011, ARK US raised US\$4.2m and paid programme grants of US\$2.1m to ARK. This was a significant source of funding for ARK's programmes in the year.

ARK programme expenditure and commitments

For the year ended 31 August 2011

The following pages summarise ARK's financial statements for the year 2010/11. The full version of the audited consolidated financial statements of ARK is available from the ARK website: www.arkonline.org/about-ark/annual-accounts

ARK's programme funding model involves the commitment of funds for the duration of each programme, which is typically 3-5 years. The expenditure in any one year is part of that programme commitment and the balance of commitments beyond August 2011 is shown in the 'Future Commitments' column below.

1. Future commitments are underwritten from existing funds. Programmes are funded by a combination of donations, already received and invested in the medium term, and on occasions donor pledges that will be paid in the future to match the timing of programme expenditure.
2. 'Other' includes adjustments for programme grants to organisations that are not legally part of the ARK Group in order to reflect amounts actually paid in the year rather than grant awards approved by the ARK Board in the year. Approved grants that are unpaid at the year end are included in 'future commitments'.

Programme	Expenditure in Year		Future Commitments ¹	
	£'000	US\$'000	£'000	US\$'000
South Africa – HIV/AIDS	448	729	171	278
Mozambique – Antiretroviral	794	1,294	1,869	3,045
Mozambique – Other	129	211	132	215
Zambia – Diarrhoeal Disease	823	1,341	2,707	4,411
Zimbabwe – Maternal and Newborn	-	-	2,148	3,500
South Africa – Other	-	-	2,072	3,376
Health	2,194	3,575	9,099	14,825
India	394	642	1,796	2,926
US	39	63	848	1,382
Uganda	-	-	3,928	2,411
International Education	433	705	6,572	6,719
Bulgaria	43	70	-	-
Romania	854	1,392	2,190	3,568
Child Protection	897	1,462	2,190	3,568
Academies	7,927	12,915	10,586	17,248
Other school programmes	3,546	5,778	5,050	8,228
Future Leaders	149	242	1,000	1,629
Teaching Leaders	2,258	3,679	1,569	2,556
UK Education	13,880	22,614	18,205	29,661
Other²	(2,542)	(4,142)	(57)	(93)
TOTAL	14,862	24,214	36,009	54,680

Consolidated statement of financial activities (summary)

For the year ended 31 August 2011

Incoming resources	£'000	US\$'000
Incoming Resources from generated funds		
Voluntary income:		
Grants and donations	9,400	15,315
Activities for generating funds:		
Fundraising events	6,119	9,970
Investment income	233	380
Incoming Resources from charitable activities	316	515
Total incoming resources	16,068	26,180
Resources expended		
Cost of generating funds	6,759	11,013
Charitable activities:		
Grants and project operating costs	15,827	25,787
Governance and support costs	188	306
Total resources expended	22,774	37,106
Net outgoing resources before other gains and losses	(6,706)	(10,926)
Unrealised gains on investment assets	137	223
Realised gains on foreign currency transactions	401	653
Net movement in funds	(6,168)	(10,050)
Funds brought forward	35,814	58,352
Funds carried forward	29,646	48,302

1. £13.5m was raised at the 2011 Gala Dinner, held at Kensington Palace Gardens.
2. The trustees and patrons of ARK ensure that the central administrative costs of the charity are covered, allowing all other donations to be allocated fully to charitable programmes.

Consolidated balance sheet

As at 31 August 2011

	£'000	US\$'000
Fixed assets		
Tangible fixed assets	872	1,421
Current assets		
Debtors	14,223	23,173
Cash at bank and in hand	14,497	23,620
Investment in ARK Masters Fund	21,975	35,804
	50,695	82,597
Creditors: amounts falling due within one year	(13,914)	(22,670)
Net current assets	36,781	59,927
Total assets less current liabilities	37,653	61,348
Creditors: amounts falling due after one year	(8,007)	(13,046)
Net assets	29,646	48,302
Funds		
Unrestricted funds:		
General Programme Fund	3,338	5,439
Core costs	3,029	4,935
Restricted funds	23,279	37,928
Total funds	29,646	48,302

1. £13.1m of the debtors balance relates to donations that have been pledged but are mostly not yet due. Schedules of payment are agreed with some major donors to match the cash requirements of programmes that they support.
2. By committing funds in advance to programmes to cover projected expenditure for up to five years, ARK inevitably holds significant balances for investment until those committed funds are actually required.
3. The trustees have adopted a conservative investment policy in relation to these funds whereby a minimum of 40% of cash is invested in bank term deposits. The balance is invested in the ARK Masters Fund, a 'fund of funds' with the objective of outperforming cash over time without significantly increasing risk.
4. General Programme Funds are yet to be committed to specific programmes, and therefore available to fund future programmes. Restricted funds and creditors mostly represent commitments to existing programmes and funds raised for designated purposes.

Absolute Return for Kids, US

Summary income statement for the year ended 31 August 2011

Absolute Return for Kids, US is the US arm of ARK. It builds ARK's presence in the Americas by developing awareness and cultivating donors interested in ARK's international programmes.

1. The majority of donations received in the year relate to pledges made at the ARK Gala Dinner held in London.
2. Administrative costs are fully covered by patron and trustee contributions and in-kind contributions, allowing all other donations to be 100% applied to charitable programmes.

	US\$'000
Patron and trustee contributions	536
Donations and in-kind contributions ¹	3,701
Total income	4,237
Grant payments to ARK	2,099
Governance and support costs ²	453
Total expenditure	2,552
Net income	1,685
Unrestricted funds brought forward	(13)
Unrestricted funds carried forward	1,672



United Kingdom

65 Kingsway
London
WC2B 6TD
T: +44 20 3116 0700
F: +44 20 7831 9469

United States

25 West 53rd St, 14th Floor
New York, NY 10019
T: +1 212 417 9404
F: +1 212 784 6349

Mozambique

Av. Ho Chi Min 251
R/C
Maputo
T: +258 21 303 530

India

3rd Floor
189 Madhuban
New Delhi 110092
T: +91 111 4575 1991

www.arkonline.org

E: info@arkonline.org

Please note:

Figures throughout this report are generally as of August 2011, unless otherwise stated.

Figures for the year 2011 are for the y/e 2011, unless otherwise stated.

The exchange rate used is 1.6293 £/US\$ unless stated otherwise.

Absolute Return for Kids (ARK) is a UK Registered Charity No: 1095322

Absolute Return for Kids, US, Inc. is an independent 501(c)(3) non-profit organisation based in New York (Federal ID No. 13-4147912).

Absolute Return for Kids © ARK, Absolute Return for Kids is a registered trademark

Front cover:

Namacha clinic, Namacha, Mozambique

Back cover:

Burlington Danes Academy, London, UK





+44 20 3116 0700
www.arkonline.org

ark
absolute return for kids