



# Annual review 2010

**ark**  
absolute return for kids



# ARK is about:

## 1 High impact

We focus our programmes on the most disadvantaged children and on interventions where we can make a real difference.

## 2 Measurable social returns

We apply sound business disciplines, with emphasis on measurement and evaluation. We fund programmes for an agreed period of time, with a clear plan to exit.

## 3 Catalysts for change

We aim not to leave a programme until we can be sure of its sustainability, supported by an appropriate mix of local, national and supranational partners. Working in partnerships helps to ensure that our programmes act as a catalyst for long-term, systemic change.

## 4 Leverage

We multiply the effect of donations by leveraging additional funding from governments and international grant-making bodies.

# Since 2002:

## 200,000 children

More than 200,000 children have benefited from ARK programmes over the past nine years.

## £250m leveraged

For every £1 ARK invested in its programmes in 2009/10, it leveraged an additional £6 of direct support. Since 2002, ARK has leveraged over £250m of additional government funding, and significantly more indirect, in-kind funding, helping to multiply our impact.

## £150m raised

ARK has raised over £150m making us one of the UK's top fundraising charities. Our funds are committed rapidly, with no significant endowment.

## 100% return

ARK's board of trustees and patrons ensure that central administrative costs are met, so that 100% of donations go directly to deliver our programmes for children.

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

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# Chairman's report

**I**n less than ten years, ARK has experienced tremendous growth and has implemented major programmes that have delivered sustainable and catalytic change for thousands of disadvantaged children around the world. Having seen for myself so much of the good that has been achieved and the dedication of the staff who work in our programmes, I was honoured to take on the Chairmanship this year. It is a role about which I feel passionate and into which I will put all my efforts.

ARK's work has been made possible by the generosity of our donors who together have contributed over £150m and enabled

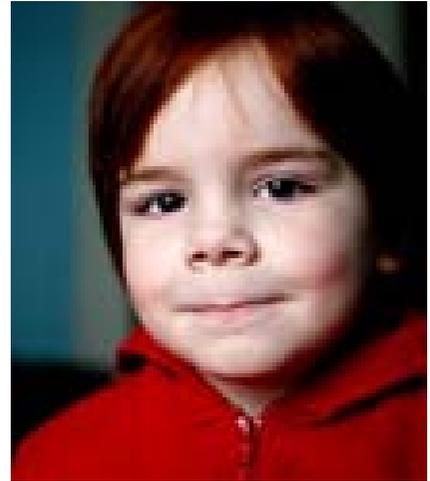
us to multiply our impact by leveraging a further £250m of direct financial contributions, and much more indirectly in addition.

Tackling access to healthcare in sub-Saharan Africa, improving educational opportunities in the UK and India and giving children the chance to live in caring family environments in Eastern Europe, ARK has made progress to overcome some of the major issues that blight children's lives now and threaten their welfare and prospects in the future.

As we look forward to our next decade, our ambition and our vision grow

stronger. We believe that ARK has an opportunity to identify, support and accelerate programmes that are truly transformative.

We are working towards a world where maternal and newborn health in the poorest countries reaches the aspirations set out by the United Nations (UN) in its Millennium Development Goals; where children's deaths through diarrhoea and AIDS in Africa are dramatically reduced; where millions of children across India and Africa achieve access to a quality of education that they have so far been denied; where the educational



achievement gap between rich and poor children in the UK and the US is dramatically reduced; and where large scale state 'orphanages' in Eastern Europe are closed down for good.

To accomplish our ambitions we will have to increase our pace – in the size and strength of our professional staff, in the leverage we achieve from partners and in the commitment of our supporters. We know these represent big challenges but the prize is great.

I was delighted to welcome to our board of trustees this year Paul Myners and Anthony Williams, who I know will

make a great contribution to our work. We shall continue to add to the talents of our board in order to take forward the pioneering work started by my predecessors, Arki Busson and Stanley Fink, who have inspired us all.

We have a great executive team in place which will be further strengthened in 2011 by the appointment of a global CEO.

To date, ARK has transformed more than 200,000 children's lives. None of this could have come about without the passionate support of our trustees, patrons, donors, partners or

professional staff, and to all I express my deepest thanks.

A handwritten signature in black ink, appearing to read 'Ian Wace'.

**Ian Wace, Chairman**



King Solomon and Walworth Academies opened their new buildings. David Cameron called Walworth *"an incredibly impressive school"*.



Recruitment and selection of the 2010 cohort of Future Leaders was completed. 586 applicants went through 73 assessment

centres across six cities, resulting in the recruitment of 68 participants for the Future Leaders programme and 107 participants joining the Tomorrow's Heads programme, the alternate route offered under the National College's new Accelerate to Headship Programme.



Following policy briefings by ARK to European Commission officials and the showing of ARK films illustrating why deinstitutionalisation is so critical, the Bulgarian government agreed to redirect €39 million of EU structural funds away

from institution refurbishment towards investment in programmes that support deinstitutionalisation – a major and important step forward for Bulgaria.

# Highlights

January

February

March

April



The Matola I clinic became the first clinic in Mozambique to use new point of care technology for CD4 blood

testing, allowing patients who test HIV positive and are eligible for antiretrovirals to be fast-tracked into treatment.



Over 500 students from each of ARK's UK academies took to the stage at the Barbican Centre to perform in the second ONE VOICE Music Gala.



The HHC-ARK Partnership for Romania secured the closure of two institutions and the opening of three small group homes.



ARK Bulgaria handed services over to local partners and closed its programme having taken 200 children out of

institutions, prevented 107 children from entering institutions, set up the first comprehensive foster care and small group home services and overseen the first quality institution closure in Bulgaria.



Five of ARK's eight academies received GCSE results, marking another year of success for the network. 48% of pupils in ARK Schools achieved five or more

GCSEs at A\*-C including English and maths, up from 35% in 2009. This made ARK - for the second year running - the top performing academies group.



Under the UK government's new Free Schools

programme, proposals for two new ARK primary academies in North Westminster and North Hammersmith and a new secondary academy in Wandsworth were approved to go ahead to business case stage, with the aim of admitting the first primary pupils in September 2011 and the first secondary pupils in September 2012.



In India, the Allow Synthetic Phonics to Improve Results in English (ASPIRE) programme

launched with 52 teachers from 30 schools being trained in Jolly Phonics and Genki English. They are teaching ARK's English literacy programme to over 1,500 Class I students (5-6 year olds).



King Solomon Academy in Westminster held its official opening,

celebrating the completion of new buildings and the first year of the secondary school.

May

June

July

August

September

# of 2010



800 guests attended ARK's 9th Annual Gala Dinner at Waterloo International Terminal in London, with an additional 500 joining for the Late

Night Extravaganza, raising a total of £12.4 million. ARK announced a new programme for quality education, supported by the foundation of Her Majesty Queen Rania of Jordan, who was keynote speaker on the night.



ARK signed a memorandum of understanding with the provincial department of health and the largest medical school in Mozambique, University of Eduardo Mondlane, to provide doctors-in-training with practical experience of AIDS treatment at ARK-supported sites, with the aim of addressing the country's shortage of qualified healthcare professionals.



Walworth Academy, Southwark, was rated by Ofsted as 'a good school with outstanding capacity to improve that is transforming the lives of students.'



Globe Academy and Evelyn Grace Academy both opened their new buildings to pupils. Michael Gove MP, Secretary of State for Education, opened the new buildings at Globe Academy and addressed pupils at their first assembly of the term, together with ARK trustee Paul Marshall.



Ark Academy in Wembley has received an 'outstanding' rating after its first full inspection since opening. Ofsted found that *'a great deal of work has brought about a new school*

*that has quickly established high expectations and secured impressive progress in the short period since opening.'*



A binding memorandum of understanding was signed between ARK and the Centre for Infectious Disease Research in Zambia (CIDRZ) to start a comprehensive diarrhoeal disease prevention and treatment programme in Zambia (left Dr Jeffrey Stringer, Director of CIDRZ and right, Micky Sandall, CFO, ARK).



Stanley Fink, ARK trustee and former Chairman, was awarded a peerage as a Conservative member of the House of Lords.

## October

## November

## December

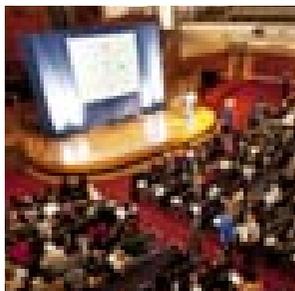


Jonas Chartock, a leader in US education reform, was appointed as CEO of Teaching Leaders'

US sister programme, Leading Educators, which seeks to improve student performance in high-needs US schools by developing effective teacher-leaders.



In the US, Leading Educators was awarded a \$1.37 million grant from NewSchools Venture Fund, with funds from the Bill & Melinda Gates Foundation, to launch the national expansion of its teacher-leader professional development model in 2011, serving disadvantaged public schools across five US regions.



The inaugural ARK Schools Summit took place in London. 850 members of staff from across ARK academies gathered at Westminster Central Hall

- the first time that the whole network has come together under one roof. The gathering was addressed by the Secretary of State for Education, Michael Gove MP.



Paul Myners (pictured) and Anthony Williams were appointed to ARK's Board of trustees. Lord Myners was

Financial Services Secretary to the Treasury (City Minister) from 2008 – 2010. Anthony Williams is sponsor of Walworth Academy and a long-term supporter of ARK.



# Education

UK & US

*Achieving outstanding results for 5,000 pupils across eight academies and training inspirational leaders for the future*



# More than just giving

***Anthony Williams is Chairman of Bluefield Partners, a specialist asset manager for solar infrastructure, and a former Partner of Goldman Sachs & Co. He is chair of governors at Walworth Academy and an ARK trustee.***



***Devon Hanson, Principal, Walworth Academy (left) and Anthony Williams, ARK trustee (right)***

Education opens doors to opportunities. It enabled me to train as a research physicist and then switch to trading financial derivatives in the City. I was – and am – keen to see those doors opened for others and that’s what sparked my desire to get involved with ARK’s UK education project.

The academies programme is wonderfully effective as a way of bringing about change. In Walworth Academy, where I am a sponsor and chair of governors, there are about 1,000 pupils. The difference between a poor education and a good one in this institution means that suddenly 1,000 children have their life opportunities changed for the better. And this is not a one-off. It goes on happening year after year.

It’s a team effort to improve a school and the principal carries much of the burden. Devon Hanson, the Walworth principal, is a human whirlwind and works tirelessly for his pupils and his staff. It’s a privilege that I’ve been able to witness this first hand – and brilliant that I’ve been able to get personally involved.

I saw changes from the very beginning, all linked to a ‘can-do’ attitude and the raising of expectations. For example, only four or five months after the academy started, we entered a London-wide football competition – something Walworth hadn’t done in recent years. Not only that, but we ended up winning the South London u16 Football Cup. It was an early sign that the academy was capable of achieving great things with a more ambitious vision.

The school we inherited had only 26% of pupils gaining the benchmark of five GCSEs at grades A\*-C including English and maths. So almost three-quarters were not gaining that entry ticket to genuine choices at age 16. In three short years we’ve seen rapid improvement from 26% to 59%, so that sceptics who scoffed at our ambition to reach 80% within five years are eating their words.

There’s only one downside of being an ARK Schools sponsor and that’s that you may become obsessively interested in educational transformation. But on the upside, you get to work with a very talented team with a positive attitude; you see ambitious dreams quickly becoming reality; and you have the enormous satisfaction of seeing something being done well that has a gigantic impact on many people’s lives.

What’s my advice to potential sponsors? Knock and see how many doors you open!



# A passion for education



**LUCY HELLER**  
Managing Director,  
ARK Schools

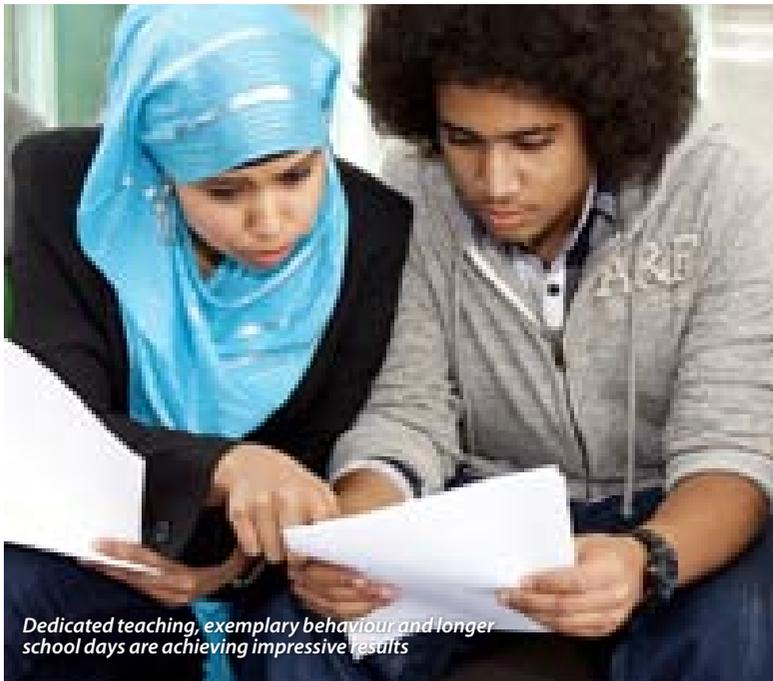
**P**rincipals and staff in ARK academies share a determination to create outstanding schools that raise attainment for children in some of England's most disadvantaged communities. We focus there because so many of the poorest children are still denied the opportunities a good education provides.

Going to university is a huge driver of social mobility. Yet fewer than five percent of university entrants are pupils from the poorest backgrounds.

Our overarching aim is that our academies will enable children to achieve academic success, whatever their background. We want every ARK

*“Academies... have been securing improvements in standards well above the national average, turning around some of the worst-performing secondary schools in the country... Those academies, which are part of chains or federations such as ARK Schools... have an even larger proportion of their pupils achieving five or more A\*-C grades at GCSE on average than pupils of academies not in a chain.”*

UK GOVERNMENT WHITE PAPER  
NOVEMBER 2010



*In the UK, ARK Schools has become the most successful multi-academy sponsor on the basis of GCSE improvement, turning around some of the worst-performing secondary schools in the country.*

*Our model, based on the belief that disadvantage should be no barrier to achievement, has been recognised by the UK government as an exemplar to the sector.*

pupil to do well enough by the age of 18 to go on to university or pursue the career of their choice.

But achieving that success is hard work. That's why our schools have very clear objectives and operating principles. They are characterised by high expectations, exemplary behaviour and excellent teaching. We focus on making sure that pupils have a thorough grounding in the core skills of numeracy and literacy. By having longer school days, we ensure that children have enough time to learn.

In 2010 we achieved record GCSE results. We raised the proportion of GCSE students achieving five passes including English and maths by 12 percentage points. That rate of increase in GCSE attainment made ARK Schools the best performing multiple academy sponsor for the second year running.

We welcomed 1,300 new pupils to our eight academies and have plans for two more academies to open in 2012.

With as many as 60% of our age 11 entrants starting secondary school two

years behind in reading and writing there's urgent work to be done in raising primary attainment. We have three primary schools as part of our all-through academies and will open two new primary academies under the free schools programme in September 2011. We are developing and growing our primary programme very significantly.

***LUCY HELLER joined ARK in 2004 from TSL Education, then a subsidiary of News International where she was Joint Managing Director.***

## Education – UK

# Future Leaders

*Great schools stand out because of great leaders who attract, develop and coach staff to reach every child*



Heath Monk

**HEATH MONK**  
**Chief Executive, Future Leaders**

It's the impact on children that really counts. Our mission is to close the achievement gap between pupils from disadvantaged backgrounds and others. The gap comes about because too many teachers don't believe that their pupils are capable of learning. We need to change that belief system.

The people who come on to our programme have lots of experience of managing children, but not much of managing adults. We show them how to behave as a leader, how to coach and how to give difficult feedback.

We help them to bring out what they believe about education and encourage them to discuss it with other participants. This gives them the

confidence to take on teachers who express low expectations.

The programme starts with three weeks in the summer where, among other things, we create a virtual failing school. We provide them with the data, the OFSTED Report and give them character sketches of the English and maths departments and notes from lesson observations. Then they're in charge. We have professional actors who come in as teachers, parents or governors and who behave more or less unpleasantly, depending on how they're briefed and dealt with! The whole point is that dealing with people is the most important aspect of the job.

The schools that make improvements are those that have great people. It was that philosophy that really appealed to me about Future Leaders when I joined not long after the programme started.

We have a rigorous assessment process for entry to the programme and take on only one in eight applicants. A major part of our work is recruitment and selection and we ran 87 assessment days in 2009/10, to meet our high quality bar.

In 2010, we saw the first GCSE results from schools where graduates from Future Leaders' first cohort in 2006 have

become head teachers. One participant nearly doubled the percentage of pupils achieving five or more good GCSEs including English and maths – a result that would be impressive for a seasoned school leader, let alone a head teacher new in the post. At the three schools concerned, there was an average improvement of nine percentage points in the proportion of pupils gaining five or more good GCSEs including English and maths. Five more heads started in September 2010 and a further headteacher takes up post in January 2011.

A total of 217 teachers are now on or have been through our four year programme and over 90% of them are in senior leadership roles. That represents a lot of impact on a lot of disadvantaged children.

Future Leaders is such an innovative programme and ARK is a hugely significant partner. The strong board is chaired by Sally Morgan (ARK).

**HEATH MONK joined Future Leaders from the Department for Education, where he was Deputy Schools Commissioner.**



*Future leaders - a new generation of outstanding middle leaders - at work in their classrooms*



*The UK Government's Education White Paper, published in November, gave its backing to Future Leaders and Teaching Leaders, ARK's programmes to cultivate and develop the leadership potential of high achieving teachers. We are now developing a similar programme to Teaching Leaders in the United States, which also suffers from unacceptable gaps in educational achievement.*



*Teaching Leaders - pioneers whose mission is to turn around failing schools*



## Education – UK

*Growing a generation of outstanding middle leaders who will measurably improve the life chances of children in inner city schools*

# Teaching Leaders



**SHARATH JEEVAN**  
*Chief Executive,  
Teaching Leaders*

Just as in business, the quality of middle leadership in a school is as important as the quality of the head and of front-line teachers.

Teaching Leaders is a two year development programme for middle leaders (Heads of Department or Heads of Year) that we developed with the National College, Future Leaders and Teach First. Its focus is inner city schools, schools where more than 20% of pupils are on free school meals or where fewer than 30% are achieving five GCSEs at grades A\*-C including English and maths.

Our mission is to grow a generation of outstanding middle leaders whose teams measurably improve the life chances of children in inner city schools.

Middle leaders need more than just formal training and ideas to allow themselves, their teams and their pupils to fulfil their potential. So we designed Teaching Leaders as a five-stage

journey over two years, combining formal training, coaching and support with unique experiences and, at its heart, an improvement initiative where participants have to demonstrate the impact they can have on a group of underachieving pupils.

After recruiting a first cohort of 25 teachers in 2008, we have now recruited 147 middle leaders across 83 inner city schools. The 2008 cohort graduated this year and a strong sign of impact is that 70% of them were promoted during the two years of the programme. The confidence and emotional maturity they displayed are testimony to their ability to take on complex leadership.

What's more, the pupils being targeted by participants in the first two cohorts are significantly outperforming against their schools' original expectations.

We will be expanding the programme from London and the South East to the North West in August 2011 and we are also adding a new programme, 'Teaching Leaders on Demand', which provides broader but less intensive training to all the middle leaders in a school.

Our ambition by 2015 is to have been active in about two thirds of all challenging schools in the country.

Our aim is to set the standards for quality and innovation in education and go to scale without compromising on them. We're delighted to see that the UK government has already recognised our achievements, which were highlighted in November's Education White Paper.

ARK acted as a catalyst in being the first funder of this programme and in turn we hope to encourage other countries to adopt similar methodologies. We have already played a part in the establishment of Leading Educators in the US. It's wonderful to see how an idea that was hatched only two years ago is now crossing the Atlantic.

**SHARATH JEEVAN co-founded Teaching Leaders in 2008. He previously held senior roles across the private, non-profit and public sectors, including at eBay, strategy consultants Booz Allen and international NGO ActionAid.**

## Education – US



# Leading Educators

*Raising achievement levels in failing urban schools*

America faces profound educational achievement gaps, perpetuated in part by high levels of teacher attrition. Roughly 22% of teachers leave high poverty schools each year, compared with some 13% of teachers who leave low poverty schools. The college graduation rate for wealthy students is seven times that of their low-income counterparts.

Teacher leadership holds great promise for sustaining school improvement in high-needs schools, but is not systemically developed in the US. ARK's experience with teacher leadership shows that school improvement requires the leadership capability of more than principals alone. Improvements are more likely when leadership is instructionally focused and located closest to the classroom.

Building upon the success of ARK's Teaching Leaders programme in the UK and a local pilot in New Orleans, Leading Educators is launching a national middle leadership programme for America's disadvantaged schools.

The Leading Educators Fellowship will offer a rigorous two-year participant experience to build the skills of mid-level teacher-leaders in three key areas: school culture; leadership and management; and learning and teaching.

Working in partnership with leaders in US education – NewSchools Venture Fund, New Leaders for New Schools and First Line Schools – our goal is to raise achievement in challenging urban schools by developing and training outstanding middle-leaders and improving retention.

During 2010, Leading Educators conducted research and development and market analysis, hired a chief executive officer, Jonas Chartock, and was awarded a \$1.37 million grant from NewSchools Venture Fund, with funds from the Bill & Melinda Gates Foundation, to launch the national expansion.

Leading Educators' ambitious growth plan aims to serve and improve 12 regions across the US by 2016, to increase the skills of 1,200-1,600 mid-level teacher-leaders, and to impact 350,000-500,000 students across high-needs schools through Leading Educators Fellows and the teachers they mentor.

# Lasting solutions to critical challenges



**CHARLES ABANI**  
*Managing Director,  
International*

Millions of children – in both developing and developed countries – face life-threatening challenges every day. Globally, we are failing to deliver on the rights of children to a decent quality education, to basic health care, and to protection. This unacceptable situation is compounded by the fragile economic circumstances of many vulnerable families and communities. Bold, ambitious and innovative action is required at scale.

Reframing the important questions and challenging existing models and solutions are critical components of ARK's approach. We are willing to take risks and try out innovative ideas. By focusing on programmes that are catalytic, leveraged, sustainable and demonstrate tangible outcomes for children, ARK seeks to contribute to finding lasting solutions to today's critical challenges.

The approach has already yielded powerful dividends. ARK's work on access to HIV treatment in South Africa and Mozambique, supporting alternative approaches to education service delivery in the UK, US and

India, and towards ending harmful institutional care in Romania and Bulgaria has affected the lives of more than 200,000 children directly. Through sharing our approaches, we hope we will influence millions more.

Moving forward - and working within the framework of the Millennium Development Goals - we are no less ambitious. Learning from our past experiences and working in ever stronger partnerships, we aspire to grow the impact of our work.

In health, we have just launched a major programme aimed at tackling diarrhoeal disease in Zambia. We hope to save



*In Romania, where possible, we are reuniting children with their parents, and giving them a chance to grow up in a happy, family environment*



thousands of lives and catalyse action regionally, creating sufficient momentum to overcome this significant killer of children. And by strengthening health care systems in Zimbabwe, we aim to reverse the alarming increases in maternal and neonatal mortality which that country has experienced in recent years.

In education, despite huge strides on increased access, quality remains a mirage for many children. We are challenging conventional thinking, supporting alternative models that can improve quality outcomes for children. We believe that the learning from this in India and in our emerging programme in Africa will influence government approaches –

enabling the scale and reach necessary to bring about massive change.

We believe that, while governments have the ultimate responsibility for public services such as health and education, we must now strive to find effective delivery systems that work for poor children – confronting the failures of public delivery and exploring effective alternatives - for example, investing in public-private partnerships that focus on the child and deliver accountably.

In the coming year, we hope to start building on our successes in addressing harmful institutional care in Eastern Europe and expand our thinking to the

child protection challenges faced in Africa. ARK will also invest in understanding how best we can contribute to improving the economic capability of families and communities - critical to transforming children's life chances.

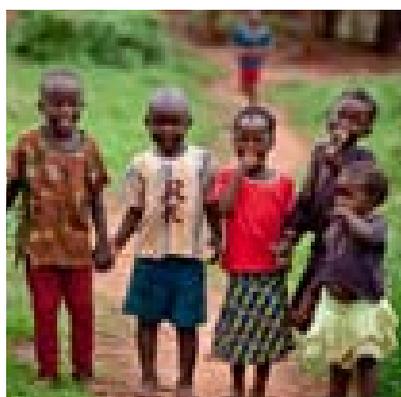
This is an ambitious agenda, but with our resolve and the involvement of our highly engaged and motivated trustees and supporters, we believe it is achievable.

***CHARLES ABANI joined ARK in May 2010 from Oxfam, and has over 15 years experience in international development.***



# Health

*Developing programmes to improve care for mothers and babies, combat HIV/AIDS and prevent and treat diarrhoea*



## Health

# Combating HIV/AIDS in Mozambique

*Developing a high quality  
and sustainable AIDS  
treatment programme;  
providing training and  
mentoring for young doctors  
and healthcare workers*



**SUE FOX**  
*Country Director,  
Mozambique*

**I**n Mozambique, an estimated 1.5 million people are living with HIV, including 130,000 children under the age of 14. When caregivers become sick or die from an AIDS-related illness, children's lives are profoundly affected; about 350,000 children have been orphaned in Mozambique.

ARK's mission, since the programme started in 2007, has been to support the development of high quality and sustainable HIV services at government primary health care facilities in Maputo Province in order to increase access to life-saving AIDS treatment.

2010 was a seminal year in achieving this goal. Previously, lack of space, systems and inadequate clinical skills were major constraints to quality of care and patient follow-up at the health centres ARK supports. Because of these bottlenecks, it could take up to

89 days to enrol an eligible patient on antiretroviral treatment (ART). Along the way, as many as one in three patients would drop out.

During 2010, enormous changes were made. New pre-fab buildings donated by ARK overcame the critical space problem and allowed patients to be attended to in a private, professional manner.

New on-site testing technology, piloted and introduced through the Clinton-ARK Initiative for Mozambique, reduced the processing time for a CD4 blood test - an essential test for assessing a patient's immune system and determining his or her eligibility for ART- from a national average of 3 months down to a mere 18 minutes. Previously, newly identified HIV positive patients had to wait for weeks to do the test and then additional weeks to receive the result back from a central laboratory, thereby delaying much needed treatment and increasing the risk that patients would not return for their results, damaging the potential success of future treatment options.



*CD4 machines assess patients' immune systems via a simple blood test*

*Partnering with the  
Clinton Foundation  
to expand a medical  
training centre and test  
new technologies to  
speed up diagnosis and  
treatment for HIV cases*

# A day in the life of **Silvestre Opincal**

***A senior medical technician at ARK's Machava II health centre in Mozambique. In his nursing career, he has worked for the military, for the Ministry of Health, and most recently for Médecins Sans Frontières.***



I see almost 60 patients a day. When I arrive, they look relieved to see me – they have been waiting anxiously, desperate to get better.

Most of the new patients have reached World Health Organisation (WHO) stage III and IV (more advanced development of HIV) because they've put off coming in. Many arrive only after first having sought help from traditional healers. These complicated cases need urgent care.

I check first which cases are most urgent, such as pregnant women and children, and give them priority. Then I attend to the others.

One patient, the father of one of my colleagues, arrived in a desperate state. He was so thin that he couldn't dress; he had just wrapped himself in a big cloth. He never believed me when I told him that after taking his pills he would recover and put on weight. We started the antiretroviral treatment (ART), and he improved a lot after a few weeks. When we asked him if he now believes that he will survive, he said: "God does exist through YOU..." I laughed at being called a messenger of God.

Later in the morning, it's time for mentoring. I check that the counselling staff are completing their files properly and that the receptionists are not making mistakes recording patient data. I make sure that the filing is being done. I don't leave for lunch because of the workload. I just have a few biscuits and a soda at my desk. In the afternoon, I meet other clinicians. I provide them with technical support on complicated HIV cases and help find solutions to day to day problems.

One of my patients, aged 36, who started ART in 2008, had developed a rash all over his body, with swellings of the arms and feet. At first, I suspected an allergic reaction to ART and changed his medication. When this had no effect, I suspected leprosy and sent him to a dermatologist for a biopsy. The diagnosis of leprosy was confirmed and treatment started. He improved very well and I was very happy to have contributed to the diagnosis and outcome. I feel recognised as a good clinician and leader by my peers and that's very motivating.

We have regular meetings on Fridays with community counsellors, to evaluate the systems used to trace patients who have missed appointments, find out the difficulties they're facing and work out what we need to do to support them. Since ARK started at the health centres, the number of patients and the quality of follow-up have both increased. We now manage to see people more quickly, lose contact with fewer and have reduced mortality.

With the introduction of point of care machines, we can now attend to patients much faster and have significantly cut waiting times.

I generally finish work at 5pm. At the end of the day, I feel very tired but very happy at having attended to and satisfied so many patients; and happy also to know that all these patients are being well treated.



ARK trained community workers in counselling skills, in particular to engage patients in the importance of adherence. For patients who stop coming to the health centres, these community counsellors go the extra mile, reaching out to patients in their homes where they provide counselling to patients and their families, and support them to go back onto treatment.

The previous paper-based patient information system, which made it nearly impossible to identify patients with missed appointments, was converted to an electronic patient tracking system, enabling clinics to see easily who had missed an appointment and call them to re-schedule. An automated SMS-reminder process is being developed to promote adherence.

These changes have resulted in significant improvements at the health centres including increased access to and quality of care for people living

with HIV. For example, the patient journey from enrolment at the clinic to initiation on ART has been cut to 21 days and the drop-out rate reduced to around 10%.

Having made such good progress, ARK's clinicians have started taking initial steps in preparation for handover to the government and local healthcare workers in 2012. From spending most of their time providing patient care, they are now increasingly mentoring government healthcare workers to take on these responsibilities themselves. It's a good example of ARK's principle of sustainability in practice.

***SUE FOX joined ARK in 2008 from the International Federation of the Red Cross and Red Crescent Societies in Geneva, and has worked for more than 10 years in the field of HIV and development.***

*In 2009/10:*

**4,114**

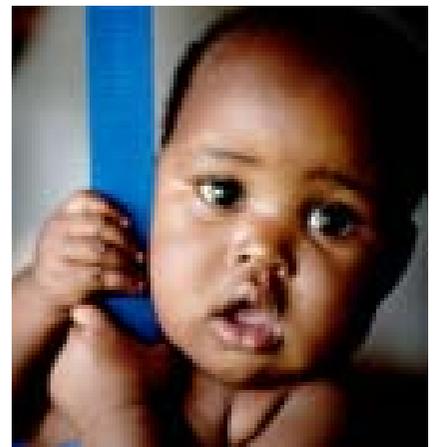
*patients enrolled on ART, 65% ahead of target*

**9,984**

*children benefiting through antiretroviral programme*



*Upgraded facilities at health centres are improving access and quality of care for people living with HIV*



## Health

# Fighting diarrhoea in Zambia

*A comprehensive prevention and treatment programme for one of the biggest killers of children under five*



**COLIN ALMELEH**  
*Programme Director,  
Health*

**D**iarrhoea is one of the biggest killers of children under five in sub-Saharan Africa – causing more child deaths than AIDS, malaria and measles combined. 1.5 million children die from diarrhoea globally every year. Rotavirus, an easily transmitted gastrointestinal disease which results in severe diarrhoea, is responsible for about one quarter of all cases of diarrhoea, but about one third of fatalities.

In 2010, the ARK board agreed to fund a comprehensive diarrhoeal disease prevention and treatment programme in Zambia, which will be implemented in partnership with the Centre for Infectious Disease Research in Zambia (CIDRZ). In order to ensure sustainability, all aspects of the programme are being planned in close collaboration with the Zambian Government and other international stakeholders such as UNICEF and the World Health Organisation (WHO). ARK's hope is that all elements of the programme will be integrated into the primary health care system of the Zambian government.

CIDRZ will be accountable for delivering the programme in Zambia while ARK will play a wider influencing role

both in Zambia and internationally, working towards leveraging ARK funds and increasing the visibility of the programme and diarrhoeal disease more broadly.

The Zambia programme consists of three core elements:

- the accelerated introduction of rotavirus vaccine
- improved clinical management capacity for diarrhoea
- public health awareness and education in diarrhoea prevention and treatment for mothers and caregivers in the community

The programme is starting out in Lusaka Province before extending to other parts of the country. The programme aims to vaccinate 160,000 infants and train over 500 healthcare workers within three years.

ARK's programme will be catalytic, accelerating the roll-out of the rotavirus vaccine by almost three years, making Zambia one of the first countries in Africa to introduce this important new vaccine. The immediate priority is to reduce under five mortality, but the programme will also build Zambia's long term vaccine and diarrhoea management capacity. Ultimately, the aim is to improve policy and practice in this area across other sub-Saharan African countries too.

ARK is collaborating with global partners, particularly the Accelerated Vaccine Introduction Initiative, to ensure that the pilot programme in Lusaka Province is followed up with a national, and potentially regional, roll-out of the vaccine, funded by the Global Alliance for Vaccines and Immunisation (GAVI). ARK's scientific and programme data will be used to inform public health policy throughout the region and support the broader ambition of the global movement around the 'Decade of Vaccines', a collaboration between the World Health Organisation (WHO), UNICEF, the National Institute of Allergy and Infectious Diseases (NIAID) and the Bill & Melinda Gates Foundation to increase coordination across the international vaccine community and create a Global Vaccine Action Plan to help research, develop and deliver vaccines to the world's poorest countries.

Most importantly, it will save the lives of thousands more children.

***COLIN ALMELEH joined ARK in 2007 after a Fox International Fellowship at Yale University in the US. Prior to this, he worked as a researcher and programme manager at the University of Cape Town, South Africa.***



By 2013:

**160,000**  
*children will be vaccinated against rotavirus, a disease which causes diarrhoea with high rates of mortality*

**500**  
*healthcare workers will be trained*



*A simply administered course of rotavirus vaccine can be all it takes to save a life*





## Health

# Developing maternal care in Zimbabwe

**COLIN ALMELEH**  
*Programme Director, Health*

**I**n Zimbabwe, one in every 140 pregnant women dies as a result of pregnancy complications, compared with just one in 2,800 in developed countries. A previously strong healthcare system has collapsed and conditions for pregnant women and new mothers are now among the worst in the world.

The impact of a failing system is worsened by high rates of HIV/AIDS infection and a lack of trained staff. Less than two thirds of deliveries are attended by a trained midwife, clinic-

based deliveries have decreased to around 60% and only 24% of clinics are properly equipped and staffed for basic emergency obstetric care, all of which put the mother and newborn at significant risk.

Zimbabwe has just 1,200 midwives – the most critical cadre of healthcare worker for maternal and child health. Only half of these midwives are currently employed and vacancy rates are running at 80-90%.

In 2010, ARK began exploring a new programme in Zimbabwe that aims to reduce the number of maternal

*Partnering with the Zimbabwean government to develop a national in-service training programme for midwives and healthcare workers*



deaths and improve the survival rate of newborns through supporting the strengthening of the health system. The programme aims to support a national training programme for midwives and other frontline healthcare workers, providing them with the skills to deliver emergency obstetric care and life-saving treatment for newborn babies, even where access to physicians is very low.

ARK is at the early stages of planning and is working closely with the Zimbabwean government, local and international partners to identify the most appropriate structure for its programme.



# Education India

*Developing rapidly  
scalable models for  
improving school access  
and English literacy*





## A passport to future prosperity

How work on the ASPIRE programme is changing children's lives

***Leena Kapoor heads ARK's Allow Synthetic Phonics to Improve Results in English (ASPIRE) programme and is a teaching mentor for ARK India.***

As a mentor on the ASPIRE programme, I visit schools in the Shahdara district of East Delhi two or three times a week. I observe the teaching of phonics, a methodology which teaches letter sounds in an enjoyable, multisensory way and ensures a thorough foundation for reading and writing in English. I also work with the teachers on lesson plans and generally help them become better at teaching English.

There are often insufficient resources and a poor physical infrastructure at the schools. In one, the classes are taught in tents, so you can imagine what it was like when the September rains came. In another, the two classes have to share a room, so there are lots of interruptions.

Our teachers display a wide range of abilities and attitudes. At the low-cost private schools, teachers tend to be enthusiastic and well-motivated: they want to learn and are eager for feedback from their mentor. At the other end of the scale, often at the government schools where being a teacher means having a job for life, it can be much harder.

I had one teacher who started with the belief that children from deprived homes can't learn. So I taught the class myself and the children responded very well. When the teacher saw this, she realised there's no such thing as children not being able to learn because they're poor. Previously, she'd allowed herself to be called away from lessons. Recently, she turned to me and said "I'm sorry – I really want to teach this programme."

There are bright children in the government schools, but they are not always given the quality of teaching they need, or deserve. Through the phonics programme, we've been able to reach them. It's difficult to think of what happens to those who are not reached by any quality intervention programmes.

## Education – India

*Innovative programmes to encourage the take-up of free school places and improve teaching of English*

# Increasing access and raising the quality of education in India



**AMITAV VIRMANI**  
Country Director,  
India

In 2008-2009, ARK ran the School Leaders for India programme which was designed to train outstanding primary school leaders who could drive well-paced and robust school improvement. This pilot taught us the importance of ensuring the government understands and recognises our work in order for us to successfully develop programmes that can be scaled up, both regionally and nationally. Our current strategy focuses on two new interventions which will demonstrate fast and improved learning outcomes for children.

We are collaborating closely with the Delhi government to ensure that these programmes meet government-recognised standards and have the potential to be easily replicated across a large number of schools.

Competence in English is regarded by poor families as the passport to prosperity. Unfortunately, much English teaching in India, which is based on rote learning, does not work. As a result children frequently drop out and half of those that do remain in school cannot read after 5 years. Clear pronunciation is an additional problem.

The ASPIRE programme looks to address some of these challenges by training teachers to use a globally-acclaimed phonics methodology, where children learn the 42 sounds of the English language rather than the alphabet. Using these sounds, children are taught to blend and segment words, enabling them to rapidly develop their reading and writing skills. This methodology has proved to be greatly effective in other areas of India as well as across Africa, China and Japan.

Through this programme we aim to demonstrate the effectiveness

of the phonics methodology and implementation model which the government can then adopt and replicate across Delhi and potentially at a national level.

The first phase of the programme included the assessment of schools and teachers in the Shahdara district of East Delhi, where deprivation is particularly acute. We went on to select 30 schools and 50 teachers from both government and private schools to participate in the implementation of the programme, enabling us to reach nearly 1,500 children aged five and six.

The selected teachers received four days of intensive training. They were also matched with a mentor to support them throughout the school year. Mentors play a crucial role in observing lessons and supporting the development of a teacher's style to ensure they are delivering the curriculum correctly.



*Amitav Virmani, Country Director, India*

*In 2009/10:  
50 teachers  
trained to teach  
English to  
1,500  
children  
across 30  
government and  
low-cost private  
schools in Delhi*

Measuring the impact of the intervention is critical to enable ARK to demonstrate the value of the implementation model. To that end, the participating children have been assessed at the beginning, middle and end of the school year using internationally recognised standardised tests. In order to deepen the impact of our intervention and embed this teaching methodology, we will continue in the same schools for another year and potentially increase our involvement over time. Our approach with the government schools is subject to inputs and agreement by officials at the end of the school year in March 2011.

The ENABLE programme is the second new initiative. The programme aims to address two key elements of the 2009 Right to Education Act, which entitles children to free, compulsory education as well as requiring private schools to reserve 25% of their places for children from poor families.

We aim to establish a voucher scheme to ensure that poor families can take up their rights and access quality education for their children. In addition, we intend to demonstrate that giving families a choice of school leads to their children performing better.

We worked to raise awareness about the programme by delivering a series of engagement activities within the local community, which resulted in 1,800 eligible applications. To cater for this demand we assessed around 300 local schools against a range of criteria. A final 100 schools were selected for parents to choose from.

To demonstrate the impact of the model we tested all applicants in English, maths and Hindi and randomly awarded vouchers across two zones in East Delhi. We conducted the baseline study in December and over a three year period will compare the academic results of the children in the voucher

scheme, against the control group of children.

Our goal with both the ASPIRE and ENABLE programmes is to create delivery implementation models which are both replicable and scalable. These will demonstrate to the government that there are cost-effective ways of providing disadvantaged children with access to low cost private schools and in turn improving the quality of the education they receive. Successful implementation of these programmes will enable ARK to engage with the government and will result in the adoption and rolling out of the scheme – potentially at a national level, impacting the lives of millions of disadvantaged children.

***AMITAV VIRMANI joined ARK in August 2008. He has held senior positions in pharma companies both in India and the USA. He now leads a team of 23 people in ARK India.***



# Child Protection

*Ending institutionalisation and giving children the chance to live in a caring environment*



Child protection

# Ending institutionalisation in Romania

*A historic opportunity to close the remaining 110 bleak state ‘orphanages’*



**LAURA PARKER**  
**Programme Director,**  
**Child Protection**

After working with ARK in Eastern Europe for more than five years, I am excited to be able to say that the end is in sight for Romanian ‘orphanages’ – institutions where most of the children are not, in fact, orphans.

With our partner, Hope and Homes for Children (HHC), we have the historic opportunity to help close the remaining 110 large-scale state institutions and provide advice to counties and central government on what alternative services and legislation are needed to ensure that the childcare system reform is complete.

However, we shouldn’t underestimate the scale of the challenges we face.

One of the first phrases you learn here as a foreigner means ‘That’s the way it is’ – people think that nothing changes. Under communism, the State always provided and those working for it just did what they were told. The staff of the institutions, who have very little support, have often become institutionalised themselves. They perhaps know that what’s going on is not right but have little sense of how it could be any other way. So our biggest test is to change people’s thinking.

Initially, HHC sent in expert teams to close institutions. Their social workers assessed children’s needs and helped them into new homes – sometimes back to their birth family or extended family, sometimes to foster care, sometimes to small group homes.

Since 2008, the HHC-ARK Partnership model has been adapted to focus on training local authorities’ child protection departments, increasing their capacity to do the work themselves and so enabling us to scale up. This was a society where professions such as social work and psychology were banned, so there’s an enormous job to do in training child care professionals.

The Partnership has been focusing on two counties, Maramureş and Bacău, where there are very committed child care departments. Our aims have been to test the new programme model – now successfully accomplished; to push on with reform in Bacău, one of the poorest parts of the country; and to shut down all the institutions in Maramureş, which we are looking forward to celebrating in 2011. This will help us build momentum and demonstrate that county-wide reform is possible.

Prevention of abandonment, to stop future generations from being

institutionalised, has also been a major part of our work. There’s huge poverty in Romania and children are sometimes abandoned when poor families are under pressure. Placing them in an institution has been the reflex, as the parents believe that there they will have food and shelter; they don’t necessarily understand the damage which institutions do to children.

ARK’s four-year partnership with HHC, agreed at the end of 2010, will support the development of a detailed strategy to enable Romania to become the first country in Eastern Europe and the Former Soviet Union to bring an end to institutional care. The programme will create partnerships with local and central government; build a national training programme; and bring other donors in to support the plan. Within four years, some 13,000 children will benefit. Longer-term, this ambitious national plan will transform thousands more children’s lives, bring lasting sustainable change to the Romanian child protection system and have an impact well beyond Romania’s borders.

**LAURA PARKER joined ARK in 2005 having previously served as Save the Children UK’s Bulgaria Programme Director, and as Social Policy Advisor to the European Commission Delegation in Bulgaria.**



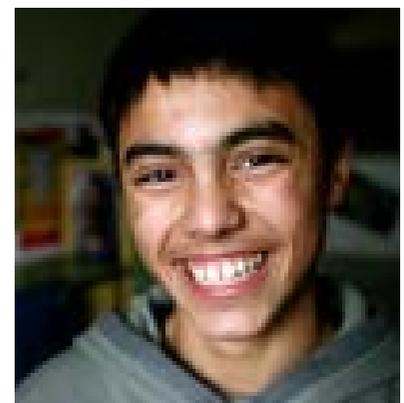
*Laura Parker, Programme Director, Child Protection*



*Small group homes provide a caring environment and allow children to thrive as they reintegrate into their communities*

*In 2009/10, ARK and HHC:*

- *Prevented 1,812 children at risk from being placed in institutional care*
- *Brought 577 children out of care*
- *Trained and advised 557 child care professionals*
- *Developed eight small group homes*
- *Officially closed three institutions and paved the way for more closures in 2011*



# Valentina's story

**ARK is working in Romania with Hope and Homes for Children who have over a decade of experience supporting deinstitutionalisation across Eastern Europe and the Former Soviet Union.**



Valentina was 11 years old when she was first put into care. She had learning difficulties and her financially-stretched family couldn't cope. The authorities said she'd be better off in a special school, attached to the institution. Her older sister had been placed there too.

Valentina shared a bedroom with five other girls. It was kitted out with iron beds and old mattresses. The carpet was torn, paint was peeling from the walls and knobs were missing from most of the windows and doors. The girls had to share cupboard space and had few items of clothing. If they wanted new underwear, clothes or shoes, this had to come out of their meagre allowance.

There was one bathroom for the entire floor with no shower curtains – and no privacy. Meals were served in a large dining hall and the children had no direct access to the kitchen area. Besides the bedroom, they had access to only one other day room, where a TV stood with a few scattered toys. Most other toys and educational materials were kept under lock and key.

The majority of children attended the special school for people with learning difficulties in the same grounds as the institution. Their daily contact was limited to this environment and they rarely went out. Staff in the home worked in eight hour shifts, making it difficult for the children to establish good relationships.

By the time we met Valentina, she was nearly 17 years old, withdrawn and immature. We discovered that Valentina was still in touch with her family, with whom she was on good terms, so decided to help her reintegrate with them.

Soon after moving to the family home, Valentina found a boyfriend and wanted to leave school, even though she hadn't progressed beyond the grade for 11-year olds. Her family were going to accept this, particularly since it would mean they would no longer have to pay for her schooling.

HHC social workers, however, counselled Valentina and her family on the benefits of qualifications and were able to provide a grant to allow her to attend a local school. Now 18, Valentina lives with her family in a small house with its own vegetable garden. HHC is still counselling the family and has provided advice on how Valentina can apply for funding to continue her education. Though still shy, Valentina is starting to establish wider relationships and hopes to train in public catering.



Hope & Homes for Children



# Financial statements

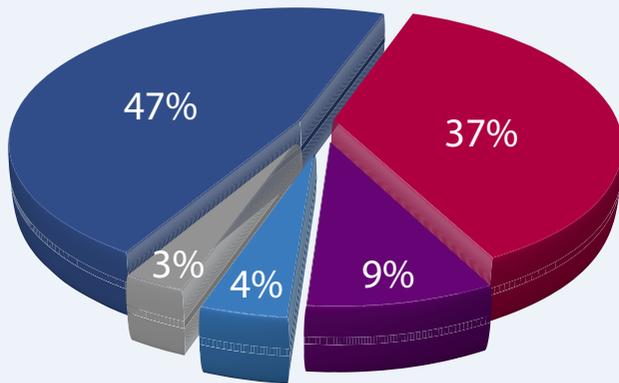
*ARK's administrative costs are covered by our trustees and we ensure that every donation is highly leveraged*



# Financial statements

None of ARK's work would be possible without the generosity of its trustees, patrons and donors. In spite of the global recession, we had outstanding support from donors for ARK's UK and international programmes. Total funds raised in 2010 were £14.5m.

86% of ARK's income was generated by its annual Gala Dinner, with the remaining 14% coming from individual grants, donations and investment income.



## Programme portfolio

**Cumulative funds awarded to ARK programmes to 31 August 2010**

<b>Education (UK)</b>	£47.7m
<b>Health (sub-Saharan Africa)</b>	£36.8m
<b>Child protection (Eastern Europe)</b>	£9.5m
<b>Education (International)</b>	£3.6m
<b>Other</b>	£3.0m

## Accountability

ARK prides itself on being accountable to its trustees, patrons, donors and partners. ARK's board is directly involved in the details of programme management. In addition, ARK produces a series of quarterly reports on programme financial and operational performance, publishes audited accounts and an annual review every year, hosts briefing events and visits to individual programme sites for individual donors and undertakes independent external evaluations of all programmes.

## Fundraising

In order to raise funds for its programmes, ARK holds a number of events throughout the year, of which the most significant is the Gala Dinner. In 2010, ARK's 9th annual Gala Dinner was held at Waterloo International Terminal. ARK attracted over 800 guests to the dinner, a further 500 to the after-dinner party, and raised £12.4m.

The evening was generously sponsored by BlueCrest Capital Management and Bloomberg. ARK would like to extend special thanks to these two exceptional sponsors. The keynote speaker was Her Majesty Queen Rania Al Abdullah of the Hashemite Kingdom of Jordan.

# 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 of government and its related bodies.

The total expenditure on ARK programmes was £135.5m in 2009/10, an increase of 45% on the 2008/09 expenditure of £93.3m. Expenditure comprised direct expenditure by the charity and additional funding leveraged from government and other sources directly into ARK Schools and Future Leaders.

<b>Total annual expenditure (y/e 31 August 2010)</b>	<b>£m</b>	<b>US\$ equivalent</b>
<b>ARK</b>	19.1	29.6
<b>ARK Schools</b> <sup>1</sup>		
Educational operations	46.8	72.6
Development and governance	2.4	3.7
Capital expenditure – school buildings	66.1	102.5
<b>Future Leaders</b> <sup>2</sup>	5.6	8.7
Less: ARK funding to Schools and Future Leaders <sup>3</sup>	(4.5)	(7.0)
<b>Total ARK programme expenditure</b>	<b>135.5</b>	<b>210.1</b>

1. ARK Schools is a separate legal entity from ARK and its financial results for the year to August 2010 are not consolidated in the ARK financial statements. This is because of a controlling legal interest in ARK Schools 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 2010 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 Schools 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 2010, ARK US raised US\$3.6m and paid programme grants of US\$3.6m 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 2010

The following pages summarise ARK's financial statements for the year 2009-10. The full version of the audited consolidated financial statements of ARK is available from the ARK website: [www.arkonline.org/about-ark/ark-accounts](http://www.arkonline.org/about-ark/ark-accounts)

ARK's programme funding model involves the commitment of funds for the duration of each programme, which is typically three to five years. The expenditure in any one year is part of that programme commitment and the balance of commitments beyond August 2010 is shown in the 'Future Commitments' column below.

Programme	Expenditure in Year £'000	Future Commitments <sup>1</sup> £'000
South Africa Antiretroviral <sup>2</sup>	1,434	-
South Africa – Grant Access and PMTCT <sup>2</sup>	1,920	619
Mozambique Antiretroviral	640	2,775
Mozambique – CAIM	1,472	2,447
Zambia – Diarrhoeal Disease	-	3,645
<b>Health</b>	<b>5,466</b>	<b>9,486</b>
India	293	2,189
US	48	47
<b>International Education</b>	<b>341</b>	<b>2,236</b>
Bulgaria	338	-
Romania <sup>3</sup>	363	218
<b>Child Protection</b>	<b>701</b>	<b>218</b>
Schools (Academies)	7,474	9,546
Other school programmes	3,572	3,672
Future Leaders	1,375	1,149
Teaching Leaders	923	2,166
<b>UK Education</b>	<b>13,344</b>	<b>16,533</b>
<b>Other<sup>4</sup></b>	<b>(774)</b>	<b>-</b>
<b>TOTAL</b>	<b>19,078</b>	<b>28,473</b>

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. South Africa: From 1 October 2009, the majority of ARK programmes in South Africa transferred to Kheth'Impilo, a new non-governmental organisation, together with the majority of employees of ARK (South Africa) Limited. This successful transition, in line with ARK's philosophy, involved a commitment of approximately £3.0m to the future programme which is majority-funded by the President's Emergency Programme for AIDS Relief (PEPFAR), a US aid organisation. Most of this commitment was paid over during the year to August 2010.

3. Romania: Since the August 2010 year end date, a further £5.2m commitment has been made as part of a new four year partnership with Hope and Homes for Children (HHC).

4. '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'.

# Consolidated statement of financial activities (summary)

For the year ended 31 August 2010

<b>Incoming resources</b>	<b>£'000</b>
Incoming Resources from generated funds	
Voluntary income:	
Grants and donations	11,194
Activities for generating funds:	
Fundraising events	2,755
Investment income	362
Incoming Resources from charitable activities	175
<b>Total incoming resources</b>	<b>14,486</b>
<b>Resources expended</b>	
Cost of generating funds	5,438
Charitable activities:	
Grants and project operating costs	19,078
Governance and support costs	885
<b>Total resources expended</b>	<b>25,401</b>
<b>Net outgoing resources before other gains and losses</b>	<b>(10,915)</b>
Unrealised gains on investment assets	1,019
Realised (losses) on foreign currency transactions	(971)
<b>Net movement in funds</b>	<b>(10,867)</b>
Funds brought forward	46,682
<b>Funds carried forward</b>	<b>35,815</b>

1. £12.4m was raised at the 2010 Gala Dinner, held at Waterloo International Terminal.

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 2010

	<b>£'000</b>
<b>Fixed assets</b>	
Tangible fixed assets	627
<b>Current assets</b>	
Debtors	17,120
Cash at bank and in hand	23,016
Investment in ARK Masters Fund	14,571
	<b>54,707</b>
<b>Creditors: amounts falling due within one year</b>	(14,402)
<b>Net current assets</b>	<b>40,305</b>
<b>Total assets less current liabilities</b>	<b>40,932</b>
<b>Creditors: amounts falling due after one year</b>	(5,117)
<b>Net assets</b>	<b>35,815</b>
<b>Funds</b>	
Unrestricted funds:	
General Programme Fund	12,568
Core costs	3,069
Restricted funds	20,178
<b>Total funds</b>	<b>35,815</b>

1. £15.9m 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. The return on the US\$ denominated Fund in 2009/10 was 2.6%, well above the average interest rate of 0.3% on US 1-month LIBOR, and this was further enhanced by fee rebate donations equivalent to a 3.6% return.
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 2010

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.

	<b>US\$'000</b>
Patron and trustee contributions	551
Donations and in-kind contributions <sup>1</sup>	3,086
<b>Total income</b>	<b>3,637</b>
Grant payments to ARK <sup>2</sup>	3,593
Governance and support costs <sup>3</sup>	430
<b>Total expenditure</b>	<b>4,023</b>
<b>Net expenditure</b>	<b>(386)</b>
Unrestricted funds brought forward	373
<b>Unrestricted funds carried forward</b>	<b>(13)</b>

1. The majority of donations received in the year relate to pledges made at the ARK Gala Dinner held in London.

2. The grant paid to ARK during the year to support its charitable programmes was funded mostly from current year income but partly from previous year income, as reflected in the reduction of unrestricted funds of just under US\$0.4m.

3. 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.

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

# Thank you

The continued support of our trustees, patrons and donors enables ARK to grow, to deliver more, and allows us to be even more ambitious in our future goals. We are very grateful to all those who have made ARK's work possible.

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 Two Sigma Investments LLC  
 ZAIS Group

## ARK management team

Sally Morgan, *Adviser to the Board*  
 Charles Abani, *Managing Director, International*  
 Lucy Heller, *Managing Director, ARK Schools*  
 Micky Sandall, *Chief Financial Officer*

## ARK programmes team

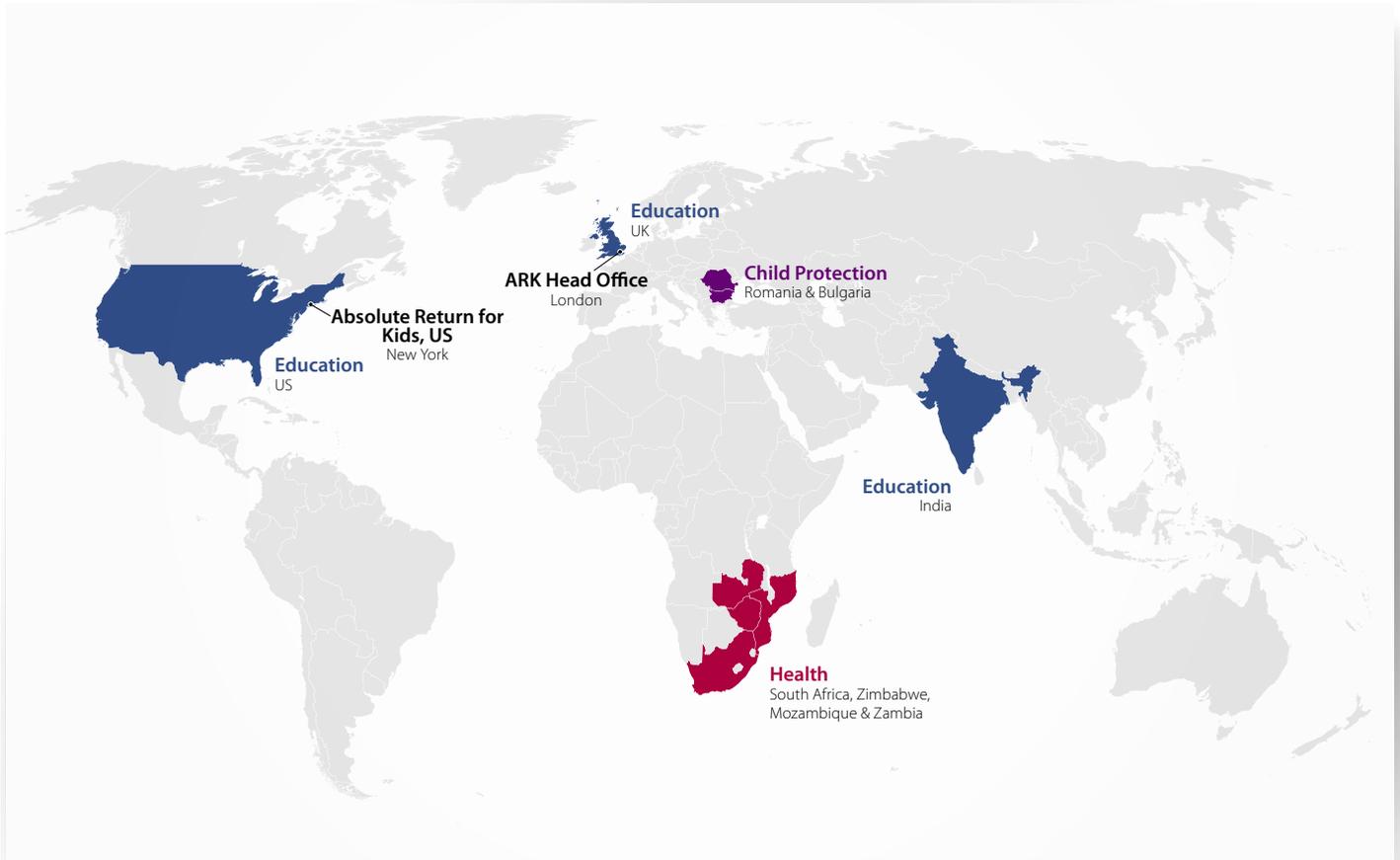
Colin Almeleh, *Programme Director, Health*  
 Frank Aswani, *Regional Director, Sub-Saharan Africa*  
 Amy Bellinger, *Programme Director, International Education*  
 Rada Ebrahim, *Programme Director, Monitoring and Evaluation*  
 Sue Fox, *Country Director, Mozambique*  
 Laura Parker, *Programme Director, Child Protection*  
 Amitav Virmani, *Country Director, India*  
 Sir Michael Wilshaw, *Director of Education, ARK Schools*



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## United Kingdom

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

## South Africa

Mazars Moores Rowland  
27th Floor, 1 Thibault Square  
Cape Town, 8001  
T: +27 21 405 4012  
F: +27 21 405 4140

## India

C-75 Preet Vihar (2nd Floor)  
Arya Samaj Marg  
New Delhi 110092  
T: +91 11 4587 3656  
F: + 91 11 4587 3657

## 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

[www.arkonline.org](http://www.arkonline.org)

E: [info@arkonline.org](mailto:info@arkonline.org)

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