Red Balloon Educational Trust

England & Wales · Charity number 1109606

Details

Other names	RBLCG, RED BALLOON GROUP, RED BALLOON LEARNER CENTRE GROUP, RED BALLOON NATIONAL, RBET, RBET Aylesbury, RBET Norfolk, Red Balloon Aylesbury, Red Balloon Norfolk, Red Balloon Worthing, Red Balloon of the Air
Status	Registered
Legal form	Charitable company
Company number	05385341
Registered	2005-05-23
Register	View on the Charity Commission register

Contact

Address	Red Balloon Educational Trust Willow Lodge 37 High Street Milton Cambridge CB24 6DF
Phone	01223366052
Email	admin@rbet.ac
Website	www.redballoonlearner.org

Activities

Objects: TO ADVANCE THE EDUCATION OF STUDENTS AGED 9 TO 18 AT RED BALLOON LEARNER CENTRES, BEING STUDENTS WHO ARE VICTIMS OF SEVERE BULLYING AND FOR THE TIME BEING ARE UNABLE TO ATTEND MAINSTREAM SCHOOLS, BY PROVIDING TUITION AND APPROPRIATE SUPPORT FOR THEM IN A SAFE LEARNING ENVIRONMENT UNTIL THEY ARE READY TO RETURN TO MAINSTREAM EDUCATION OR EMPLOYMENT

Activities: Red Balloon Educational Trust sets up and oversees small schools, called Learner Centres, that offer a full-time educational, therapeutic and community-based recovery programme for children and young people aged 9 to 18 who experience EBSA (emotionally-based school avoidance) as a consequence of severe bullying or other traumatic experiences.

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Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Education/training
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£4,182,038	£3,553,998	£3,815,008	94
2024-08-31	£3,328,143	£3,167,467	£3,186,968	93
2023-08-31	£2,904,164	£2,621,262	£3,057,154	86
2022-08-31	£2,404,451	£2,167,724	£2,774,252	72
2021-08-31	£3,460,833	£3,454,954	£2,545,898	102
2020-08-31	£3,017,472	£2,858,540	£2,540,019	110

Trustees

Name	Role	Appointed
CARRIE HERBERT	Chair	
Barry Jessup		2025-10-13
Dr Martin Alexander Ruehl		2025-06-17
Michael Dobson		2025-11-18
RUTH LOSHAK		2023-08-22
Ralph Burditt		2025-03-04
Revd Professor Michael Jonathan Reiss		
Surjit Ram		2025-11-18

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Red Balloon Educational Trust

England & Wales - Charity number 1109606

Accounts

Red Balloon Educational Trust
Willow Lodge
37 High Street
Milton
Cambridge
CB24 6DF

Tel: 01233 366052
Email: admin@rbet.ac

Charity no: 1109606

www.redballoonlearner.org

Registered with FUNDRAISING REGULATOR

Red Balloon Educational Trust

Annual Report 2024/25



“I spent the best part of two school years out of education before I found Red Balloon. I started at Red Balloon at the end of year 10, terrified for my future and convinced I would end up as nothing. Instead, they showed me something I hadn’t seen before. True compassion.

They took the broken pieces of me and didn’t try to fix it for me, but helped me realise I could do that myself. There are no divisions between staff and student, it’s a truly collaborative environment for education and growth and, as corny as it sounds – it was like a family.”

Red Balloon Alumna



Many young people struggle in the classroom because of trauma, bullying or EBSA (emotional-based school avoidance). Red Balloon helps young people re-engage with education in a way that is comfortable for them. We help build the confidence they need to get back on track academically and socially.

Red Balloon Educational Trust Annual Report 2024/25



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Red Balloon Educational Trust Annual Report 2024/25

Introduction from the Chair

Looking over the past year, I am immensely proud of our students and staff for all they have accomplished, grateful to our volunteers and donors for all they have given and appreciative of our friends and supporters who have helped us achieve our goals.

Against a backdrop of difficult economic times, continued rising rates of school absence and more students presenting with mental health issues, Red Balloon Educational Trust is pleased to say we have maintained good attendance, continued to provide a truly inspirational therapeutic and educational programme that suits the needs of our students, and have achieved our aim of helping students recover and move to their next provision. We supported over 120 young people in 2024/25 as they began to re-engage with education, build new relationships with staff and peers and turn their lives around; we strengthened our relationships with our local communities; and we worked tirelessly to prepare our newest Centre, Red Balloon Aylesbury, for opening in autumn 2025.

We've been strengthening our infrastructure too. We have welcomed new trustees to the organisation: they kindly give their time and expertise to shape the direction of Red Balloon and ensure we continue to meet the needs of our young people. Their commitment, the comprehensive training they undertake and the time they give for meetings are not insignificant, and I thank each of them for their reliability.

This year we have worked to improve our digital infrastructure by employing a Head of Data, Systems and Infrastructure coupled with her position as Data Protection Officer.
We have introduced stronger online safety and monitoring systems to keep students and staff safe from online attacks, exploitation and harmful and inappropriate content, as we continue to discuss with our students the best ways to stay safe and question the content they're seeing online.

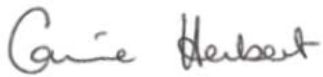
Our work at Audley House, our RBET Centre in Aylesbury, has been particularly rewarding. With a considerable financial commitment from the William Harding's Charity, we were able to find a house which they will rent to us as well as a further sum to bring it up to the high standards we demand. By August 2025, the past eighteen months' efforts had proved successful and culminated in a beautiful building filled with books, science equipment, sensory tools, games and so much more. Since early 2025, we have been in close contact with Buckinghamshire Local Authority, who have helped us select the kind of student for whom RBET works best, and we opened the doors of this new Centre in September 2025.

In addition to the William Harding's Charity trustees, I also give my deepest thanks to all supporters and local communities in Aylesbury who helped in the refurbishment and equipping of the new Centre. At RBET-Worthing, we are also extremely grateful to the local donor who provided a beautiful garden-room for RBET-Worthing. As ever, this charity wishes to thank all the donors, volunteers and local community members who help us accomplish all that we do.

Looking forward, the uncertainty we've all felt this year is likely to persist as the government looks to redefine SEND education and its provision, as further safeguarding and child protection controls come into force, as the new Ofsted inspection framework is implemented, and as the impact of mobile phones, AI and scrolling, not just on our children, but on all children, is better understood.

However, I have great confidence in my fellow trustees, their skills and experience, our professional and hardworking staff, the support networks we have built up, our reputation for providing first-class education and, most importantly, our young people's perseverance in their studies, their ever-growing self-confidence and their unlimited capacity to imagine a better future for themselves.

With kind regards,



Carrie Herbert
Founder and Chair of Trustees



About Red Balloon

Red Balloon provides a safe, supportive environment for young people aged 11-18 who are currently unable to attend mainstream schools because of serious mental health challenges, trauma, and special educational needs which couldn't be met in a mainstream school.

These students have often experienced extended absences from education, missing critical opportunities to learn, build skills and socialise. As isolation deepens, their confidence wanes. Without the right support and intervention, these children get left behind, unable to move forward, pursue a career and make a successful transition to adulthood.

With the generous support of donors and volunteers, and our partnerships with local authorities, Red Balloon is able to offer a comprehensive programme, working to meet each student's individual needs and goals. Our approach combines social re-engagement, academic learning, and wellbeing support, helping young people gain self-confidence, skills and qualifications. They begin to enjoy learning again, and over time, they can think about moving forward. Whether they are returning to mainstream school, continuing their studies at college, or entering the workforce, our students have what they need to succeed.

About Red Balloon Educational Trust

Red Balloon Educational Trust operates the Red Balloon of the Air provision (since Oct 2021), Red Balloon Worthing (opened Sept 2022), and RBET-Norfolk (opened Jan 2024). There are three other Red Balloon provisions, RB-Cambridge, RB-Reading and RB-Norwich, which are separately registered charities and companies limited by guarantee, with the local trustees as their directors. The Red Balloon of the Air provision operated as a separately registered charity and company limited by guarantee until Oct 21.

The Trustees' Annual Report incorporates the Strategic Report for the purposes of section 414C of the Companies Act 2006.

Our year at a glance

Our students achieve amazing things. Of the students who took GCSE exams and other qualifications in the 2024-2025 year:

100% achieved grades 4-9 in English Literature

100% pass rate in Physics

This year, we supported:

124 *children total*

This year, our students achieved:

72% attendance across all Centres

This year, we provided:

20,672 *lessons*

1,120 *wellbeing sessions*

21 *school trips*

12 *school clubs*

1 *residential trip*

8,970+ *healthy, home-cooked lunches*

Our locations

Our RBET headquarters, based at Willow Lodge in Milton on the outskirts of Cambridge, is home to the blended online and face-to-face provision, Red Balloon of the Air, but covering various different counties, with several face-to-face hubs. RBET's Central Services team is also based at Willow Lodge.

RBET also has a Learning Hub based in Danbury, supporting young people on RBAir in Essex.

In September 2022, we opened our Worthing Centre, which supports students in the West Sussex area.

In January 2024, RBET opened a new physical Centre in Norwich (RBET-Norfolk) to support young people across Norfolk.

In September 2025, RBET opened a new Centre in Aylesbury to support young people across Buckinghamshire and surrounding areas.



Opened Sept 2025











RBET Centres and Learning Hubs

Red Balloon of the Air main office

Red Balloon Educational Trust supports students across the counties highlighted above.



Our values, ethos and practice

Red Balloon Learner Centres were created to support the recovery of children and young people who have been severely bullied, traumatised, or are experiencing high levels of anxiety, and who are currently missing out on their education.

Typically, these students have self-excluded from school and may have been out of the educational environment for extended periods, sometimes even years. As a result, they often struggle with a loss of confidence in learning, forming friendships, and trusting both adults and the education system.

The Recovery Programme developed at these Centres consists of three key components:

- A robust, negotiated curriculum
- An integrated therapy and creative arts programme
- Opportunities for local community engagement

The breakdown of these areas is based on the learners' needs. When they first arrive it is important to create a safe space, so therapy, community activities and the creative arts provide the opportunity to build confidence.

Students receive assistance to:

- Rebuild their self-esteem and develop as individuals
- Cultivate resilience and a positive self-image
- Acquire essential learning skills for success in school, further education, or the workforce

A Nurturing Environment

Step into any of our Centres, and you'll be greeted with warmth and a sense of supportive camaraderie. Here, small groups of students engage in both creative activities and serious learning. Children flourish through the three core elements of our programme—wellbeing, community, and education—which offer them holistic support. You can explore each of these components in more detail on the following pages.

Maintaining Supportive Learning Communities

To foster our nurturing learning environments, we ensure that we:

- Treat our students with respect and kindness, employing restorative approaches
- Listen to our students and address their concerns
- Create communities where both students and staff feel they belong and can contribute
- Design individualised, negotiated educational and wellbeing plans to help students achieve their goals
- Blend academic study with social and emotional recovery programmes
- Promote creativity at all levels

Wellbeing

Mental health and emotional wellbeing are crucial for leading a happy and healthy life. They lay the groundwork for young people to thrive.

> It feels like a second home. Less pressure and conflict and people care about me.



Every young person should have access to resources that support their wellbeing and self-confidence.

At Red Balloon, we put wellbeing at the heart of everything we do. We know that traditional school settings aren't for everyone. Issues like bullying, trauma, mental health struggles and a lack of support can make mainstream education feel unwelcoming. That's why we focus on the wellbeing of each student above everything else.

We work closely with licensed therapists to help young people rebuild their confidence and find their self-worth again. This support is a key part of each student's day-to-day life. By integrating this assistance into their daily routines, we aim to nurture their emotional healing and set them up for future success.

We offer a variety of wellbeing activities, from non-competitive sports to yoga and meditation. These activities encourage young people to step out of their comfort zones and find new ways to connect with themselves and others.

Our mentors are essential to each young person's journey. For those who feel too anxious to attend in-person sessions, mentors provide personalised support at home, helping them build the confidence and skills needed to engage with their surroundings. Acting as trusted allies, mentors guide young people in reaching their personal goals while supporting them throughout their education.

We truly believe that wellbeing is the foundation of learning, growth and success. By putting mental health and emotional recovery first, we empower our students to face challenges head-on and unlock their true potential.

Education

A safe, nurturing and highly personalised learning environment where every student can grow at their own pace.

“My educational needs are much more catered to than in mainstream, and if a certain learning style isn't useful it can always be adapted to fit me.”



At Red Balloon, education is built around the individual.

Many of our students have been away from learning for some time or have felt let down by previous school experiences, so we create an environment where they can rebuild trust, confidence and curiosity. Our approach is deliberately different from mainstream schooling: small groups, a varying approach and a strong focus on wellbeing sit at the heart of everything we do.

Learning might begin one-to-one, giving each student the space to settle in, be heard and work at a pace that feels right for them. As their confidence grows, they move into groups of two to no more than six.

We know that young people learn best when subjects feel meaningful, so our teachers regularly weave students' passions—whether that's Japanese culture, astronomy, fishing, manga or animals—into the curriculum. By connecting personal interests to academic goals, students rediscover the joy of learning and become active participants in their own progress.

Our Centres are welcoming, informal spaces designed to feel more like home than school. There are no uniforms, staff are known by their first names and communal kitchens act as the social heart of each site. Here, students and staff share freshly cooked lunches, celebrate milestones, play games and simply talk about their day—moments that build community as much as confidence.

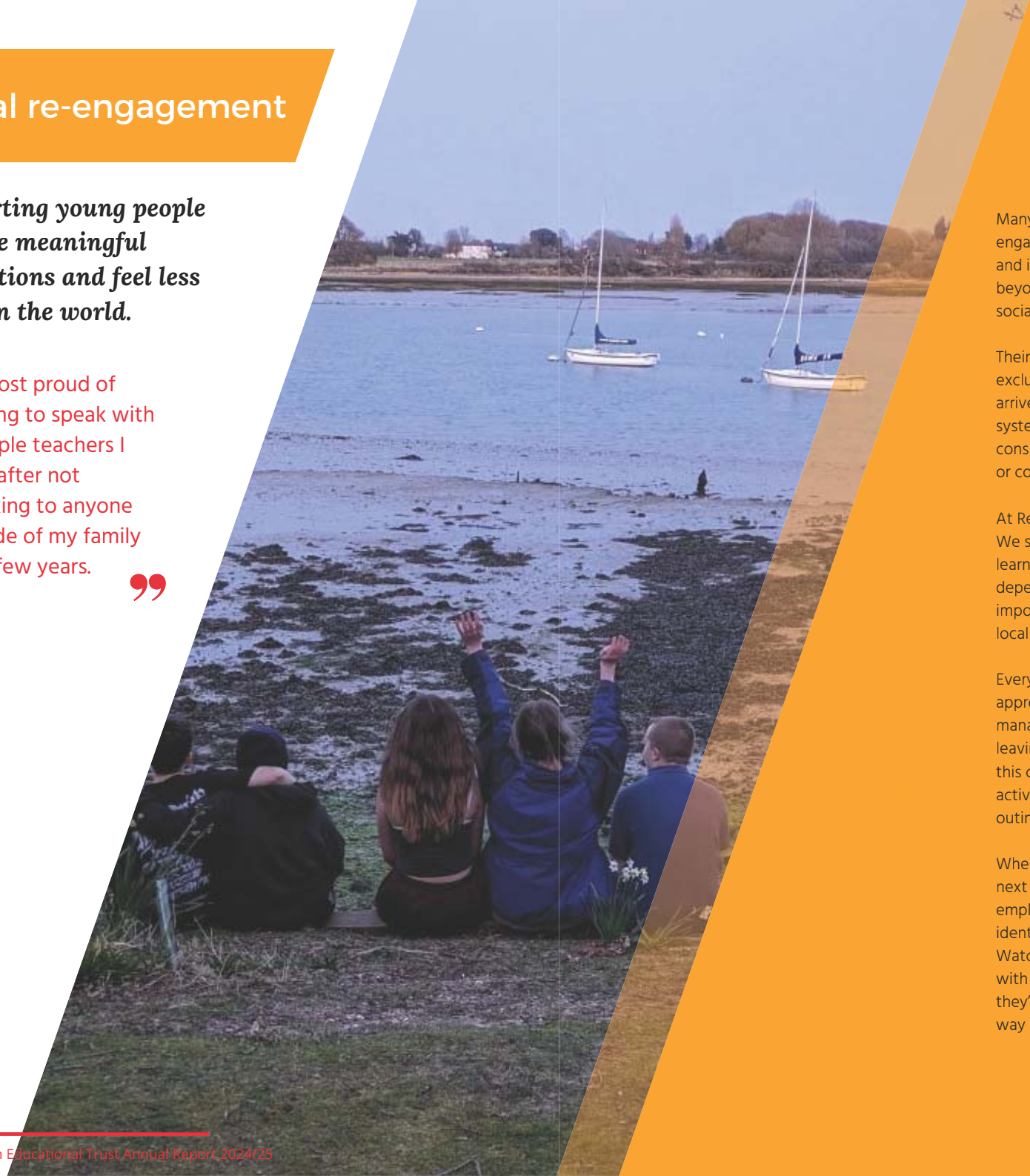
All students study core subjects such as English, maths, science, humanities and PSHEE, with additional options that vary by Centre. Beyond the classroom, a wide range of extracurricular activities—songwriting, coding, kayaking and more—helps students explore their interests and broaden their skills.

For those learning with Red Balloon of the Air, the same personalised, hands-on approach continues online through real-time, interactive lessons. Across every setting, our goal remains the same: to ensure each young person feels safe, valued and inspired as they grow into happy, healthy and fulfilled adults.

Social re-engagement

Supporting young people to make meaningful connections and feel less alone in the world.

> I'm most proud of starting to speak with a couple teachers I trust after not speaking to anyone outside of my family for a few years.



We help our young people develop their social skills, form meaningful friendships and feel confident navigating the wider world.

Many of the children who join Red Balloon haven't been able to engage with school for a long time, sometimes for weeks, months, and in some cases for years. Unfortunately, the impact reaches far beyond missed learning. Opportunities to build friendships, develop social confidence and practise everyday life skills are lost too.

Their previous experiences of school were distressing. Bullying, exclusion and needs going unsupported can leave lasting scars. Many arrive with very few friendships and a profound mistrust of the systems and adults around them. Situations that others might consider ordinary, such as joining a conversation, asking a question, or collaborating with peers, can feel overwhelming and impossible.

At Red Balloon, we focus on building both confidence and capability. We support young people to strengthen their communication skills, learn how to ask for help and experience being part of a positive, dependable community. Practical, real-world experiences are an important part of this journey. This may include learning to navigate local shops, use public transport or make phone calls independently.

Every young person's starting point is different, so we tailor our approach carefully. Progress happens step by step to ensure it is manageable and lasting. For some, the first milestone may simply be leaving the house and engaging in one-to-one sessions. Over time, this can grow into participating in small group lessons and social activities. Others may feel ready to contribute to planning group outings or take part in supported volunteering or work experience.

When students are ready to move on, we help them prepare for the next stage, whether that is further education, training or employment. By rehearsing conversations, planning travel routes and identifying support networks, we can help ease the transition. Watching young people rebuild trust, form friendships and reconnect with the wider world is inspiring, and the skills and confidence they've gained will continue to serve them as they navigate their way towards adulthood.

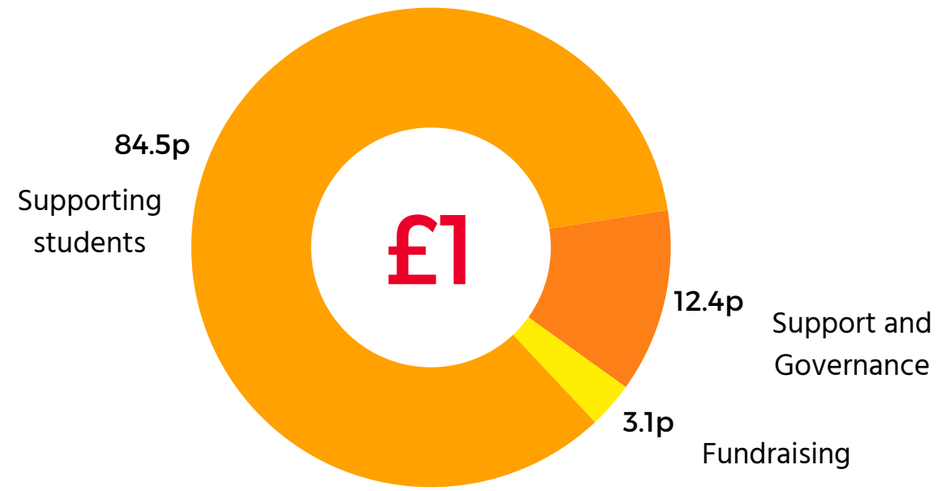
Fundraising: a year of amazing support

We couldn't do what we do without our incredible supporters who have donated money, time and expertise to keep our Centres running and help us reach more young people in need of our provision. It is thanks to them that our young people are able to turn their lives around.

A very special thanks to our supporters below

Chelmsford Young Generation
David Cherry
Diarmuid Ó Séaghdha
The Grace Trust
The Guvnors Club
The Ingles Charitable Trust
One Stop Community Partnership
The Percy Bilton Charity
Philip King Charitable Trust
The Rothschild Foundation
St. James's Place Charitable Foundation
William Harding's Charity

For every £1 Red Balloon Educational Trust spent in 2024/25, 84.5p went to direct costs supporting students.



We cannot operate effectively without good management and fundraising efforts.



Supporter case study: Roffey Homes

Roffey Homes, a long-established family-run developer and a proud part of the Worthing community, has been creating high-quality homes along the West Sussex coast since 1960. Guided by a commitment to creating communities and giving back to the local area, they have kindly supported Red Balloon Worthing with the construction of an outdoor classroom.

Supporter Roffey Homes has generously backed Red Balloon Worthing by building and fully equipping a dedicated outdoor classroom for our students.

"We heard about Red Balloon Educational Trust through another local company that we work with who were supporters of the Worthing Centre. We like to support local charities where we see a need – we donate to the local children's hospice among others.

We got chatting with the Red Balloon team at the Centre and heard they were hoping to get an outdoor garden room to provide extra space. We really like being able to support people with tangible assets, and this being a building project too fit perfectly with the type of meaningful change we like to create.

We supported the project in a few ways: we donated the funds to purchase the actual outdoor classroom itself, and we also donated our time and services to build the foundations for the classroom. Alongside the new garden room, we also supported improvements to the main Centre building by redecorating several existing rooms, refreshing the space and making it more welcoming to students and staff.

Now that the work is complete and the space is being used, we feel so happy. You could tell the property was being used to its maximum before, and the space constraints were making things challenging for the kids and the staff. This really resonated for us; children need to get the best possible start in life and be invested in their own futures, and expanding the space at the Centre could help provide that. The new space has already made a big difference at the Centre, and we're proud to be part of that. "

> "The Red Balloon team do some amazing things, and Roffey Homes are pleased to be able to contribute in some small way to their work helping local children get a fantastic and supportive education."

The new outdoor classroom has been named Roffey's Bothy in honour of their support.



Our plans for the future

Extending Access to an RBET Education

Red Balloon Educational Trust exists to ensure that children and young people for whom school has become unsafe or unmanageable are not excluded from education. Our strategic priority is to extend Red Balloon's distinctive philosophy and practice so that more young people across the UK can benefit from environments that support recovery, learning and re-engagement with society.

As we grow, we remain firmly committed to quality, safeguarding and responsiveness to individual need. Expansion will be purposeful and carefully managed, ensuring that increased reach never compromises the integrity of our provision.

Building a Resilient and Well-Governed Organisation

High-quality provision depends upon strong governance, clear leadership and effective organisational systems. Our strategy, therefore, places significant emphasis on organisational resilience—ensuring that the Trust has the structures, expertise and oversight required to deliver long-term impact.

A strategic and engaged Board, transparent decision-making and effective central services are fundamental to maintaining accountability and financial responsibility. Strengthening these foundations enables us to respond confidently to emerging challenges while remaining firmly anchored to our mission.

Protecting and Strengthening a Learner-Centred Model

Central to our strategy is the preservation of what makes Red Balloon different. Small, non-institutional settings, strong and consistent relationships, negotiated learning programmes and unconditional positive regard enable young people to rebuild confidence and agency. Our strategic direction prioritises maintaining these core principles across all settings. Every learner must continue to be seen as an individual, supported academically, emotionally and socially.

Sharing Learning and Influencing Wider Practice

In addition to direct provision, Red Balloon is committed to contributing to wider understanding of how education can better serve young people who self-exclude from school. Through collaboration, partnership and knowledge-sharing, we seek to extend the reach of our philosophy beyond our own Centres.

By sharing learning and advocating for relational, compassionate approaches, we aim to support broader change across the education sector—helping to create systems which support young people to rejoin mainstream education.

Looking Ahead

The experiences of this year have reinforced the importance of clarity of purpose, resilient leadership and strong governance. As we move forward, our focus remains firmly on extending access to a Red Balloon education without compromising the principles that make it distinctive and effective. To support this, we aim to recruit further Trust Board members in 2025/26.

For parents, partners and stakeholders, we offer reassurance that every decision has been guided by our commitment to young people—ensuring that they are not excluded from education, but supported to recover, learn and thrive.



Structure, governance and management

Financial review

Risk assesment

Structure, governance and management

Constitution

The Charity is registered as a charitable company limited by guarantee.

The Charity is constituted under a Memorandum of Association dated 21 February 2005 and its charity registration number is 1109606.

Method of appointment or election of trustees

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited to fulfil specific roles. Interviews take place and candidates who most closely match the selection criteria are invited to attend a trustees' meeting as an observer. No person or external body other than the trustees are entitled to appoint trustees.

Policies adopted for the induction and training of trustees

i) All new trustees are invited to visit an existing Red Balloon Learner Centre in order to appreciate how it differs from a school and how it operates.
ii) All new trustees meet with the Chair and the Finance Director. The Chair explains the aims of the Charity.
iii) The Chair describes the history of the founding and development of Red Balloon, defines 'bullying' with examples of the kind of treatment to which students were subjected in mainstream school and which led to them self-excluding or becoming unable to attend. She expounds the five core principles governing the operation of the individual Learner Centres.
iv) The Finance Director acquaints them with the financial basis of the Charity.
v) The trustees are given the documents issued by the Charity Commission regarding the duties of trustees ("The Essential Trustee"), together with "Red Balloon - An Introduction".
vi) All trustees are required to provide satisfactory DBS clearing, complete basic online PREVENT and Child Protection training, a Trustee Declaration of Interests and confirm that they are a suitable person to stand as a trustee.
vii) The induction process includes meetings with the main contact staff relevant to their specific job role and other trustees. Final election and confirmation as a trustee is carried out at a full trustees' meeting.

Structure, governance and management

Pay policy

A set of pay bands has been established which define a pay range for each group of staff, taking into account level of responsibility, qualifications and experience. Key management remuneration on appointment and any subsequent changes are authorised by the trustees. An appropriate local set of pay bands has been implemented at other locations. Performance reviews take place for all staff. Key management remuneration details are included in note 10.

Fundraising standards information CA 162A

Red Balloon Educational Trust (RBET) raises some funds from the public.
I. RBET undertakes fundraising through our internal resources and we do not commission a professional fundraiser/commercial participator for these;
II. RBET is not subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or voluntary standard for fundraising in respect of activities on behalf of the charity;
III. RBET monitors fundraising activities via the board reports and via fortnightly meetings;
IV. RBET received no complaints during the year about activities for the purpose of fundraising;
V. RBET has adopted principles of GDPR legislation and also has safeguarding policies to protect the data of vulnerable people and other members of the public from:

A. Unreasonable intrusion on a person's privacy;
B. Unreasonable persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity;
C. Placing undue pressure on a person to give money or other property.

Compliance with the Code of Fundraising Practice

The Charity is registered with the Fundraising Regulator to demonstrate its commitment to transparent charity management and adhering to the Code of Fundraising Practice. Supporters have the right to know that the Charity can be trusted to be open and honest and that they will be treated with care and respect. The Charity's fundraising promise is published on its website which explains what supporters can expect from it and what to do if they have any concerns.

The data protection statement online has been expanded so supporters can see how the Charity manages and uses their data within the General Data Protection Regulations. They are invited to change the way the Charity communicates with them at any time. Donorfy Customer Relationship Management system is used to ensure that its donor data is held appropriately and securely. This forms an integral part of achieving readiness for growth.

The Charity's fundraising activities continue to be largely focused on approaches to grant-making bodies, but it has been developing its stewardship of individual donors, to encourage regular giving and community fundraising.

Public benefit

The trustees have had regard to the Charity Commission guidance on Public Benefit. Red Balloon Learner Centres provide an 'intensive care' full-time education, mainly for children (11-18) who have been so seriously bullied or traumatised that they exclude themselves from school. There is no other purpose-made scheme to help this group of children recover and to restore them to everyday life. They are provided with a safe environment with clear boundaries for behaviour and a bespoke full-time academic, pastoral and therapeutic programme.

According to research carried out by the National Centre for Social Research in 2011 (Estimating the Prevalence of Young People Absent from School because of Bullying), of the approximately 3.1 million 11 to 15 year olds in England, about five in one thousand, or 16,500 children, have been bullied to the point that they have left the mainstream educational system.

Experience in Red Balloon's Learner Centres and at RBAir causes us to believe that there is a need for much wider access in the UK to provision of the kind that Red Balloon offers.

Red Balloon improves the skills and life opportunities of a group of socially isolated, anxious and ignored children. It contributes to stronger communities by identifying and addressing the problem of seriously bullied and traumatised children with the help of the community, and for the benefit of the community.

Organisational structure and decision making

i) The Charity operates from its premises at Willow Lodge in Milton, Cambridge. The Director of Education and Director of Finance and Operations oversee individuals with responsibility for the RBAir, RB-Worthing, RBET-Norfolk and RBET-Aylesbury provisions, development and fundraising, marketing and communications and finance.
ii) Day-to-day decisions are made by the Director of Education and the Director of Finance and Operations, who will refer to the Chair of Trustees, the President or another trustee for advice or guidance if necessary.
iii) The Board of Trustees meets formally approximately every month, when they receive and discuss written reports from the Director of Education and Director of Finance and Operations.
iv) Major policy and project proposals are brought to the attention of the trustees by the Director of Education and Director of Finance and Operations, discussed, and decisions made are minuted and subsequently implemented. There is a schedule of matters reserved for the board.
v) At each meeting, the Chair asks the trustees to record any potential conflict of interest.

Structure, governance and management

Trustees' responsibilities

The trustees (who are also Directors of Red Balloon Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (incorporating the Strategic Report) and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP; make judgments and accounting estimates that are reasonable and prudent; prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

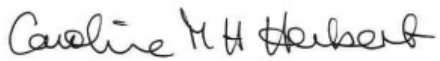
Disclosure of information to the auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditor

The auditors, Price Bailey LLP, have indicated their willingness to continue in office. The designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees. In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 20 May 2026 and signed on their behalf by:



Caroline Herbert

Financial review

Red Balloon Educational Trust (RBET) ('the Charity') operates Red Balloon's blended online and face-to-face provision, Red Balloon of the Air (RBAir Education Activity), since Oct 21, Red Balloon Worthing (RB-W), which opened in Sept 22, and Red Balloon Educational Trust – Norfolk (RBET-N), which opened in Jan 24. Prior to Oct 21, our online provision was operated through a separately registered charity and company limited by guarantee, Red Balloon of the Air (RBAir). Red Balloon Learner Centres in Cambridge, Norwich and Reading are separately registered charities and companies limited by guarantee, with the local trustees as their directors.

On 12 October 2021, the operations, assets and liabilities of RBAir Company, except for those in relation to a lease on the Danbury property, were transferred to its parent company, Red Balloon Educational Trust. In 2022-23 the lease was transferred to RBET, and in 2023-24 the final balances were transferred from the separate company, and were included in the results for the year ended 31 Aug 24. As the RBAir company is non-trading, consolidated accounts are no longer prepared.

The Charity's net assets increased by £628k (2024: £161k) to £3,815k (2024: £3,187k) in the year. Income for the charity increased from £3,328k in 2023-24, to £3,908k in 2024-25, due to continuing high student numbers in Worthing and RBAir, and a full year of fee income in Norfolk. Income from donations and grants dropped from £514k in 2023-24, to £266k in 2025, but there was a small increase in investment income of £13k.

Costs increased by £387k (2024: £546k) to £3,554k (2024: £3,167k) owing to expenditure on the new Aylesbury Centre and the Milton property, as well as an increase of £264k in staff costs across the organisation (2024: £337k). There was an increase in support costs of £91k (2024: £19k) due to increased staffing and professional costs across the trust, partially offset by a £22k reduction (2024: £8k increase) in bursaries awarded.

Investment policy and performance

During 2023-24, surplus funds were split between CAF Bank savings accounts and the CCLA COIF Charities Deposit Fund. The CAF Bank Savings accounts were paying interest at the end of the financial year of approximately 1.75% pa (2024: 2.5% pa), and the CCLA COIF Charities Deposit Fund was yielding a return of approximately 4.06% (2024: 4.99%). The COIF Charities Deposit Fund, categorised as a short-term Low Volatility Net Asset Value Money Market Fund, was opened with CCLA in October 2023. There is no minimum holding period and it allows for withdrawals on any business day without having to pay a penalty. The trustees believe splitting surplus funds between the CAF Bank savings account, currently paying interest at 1.55% pa and the CCLA COIF Charities Deposit Fund, currently paying interest at approximately 3.72% pa, appropriately balances the need for ready access, good security and investment return.

Going concern

Student numbers were maintained at a similar level to previous years in Worthing and RBAir, and the new Norfolk centre was at full capacity for the year. The new Centre in Aylesbury opened in September 2025 with 12 students, and is expected to grow to full capacity by September 2026.
Following a detailed review of the Company's forecasts and projections, the trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt a going concern basis in preparing the financial statements.
There were no significant events affecting the Charity's financial position during the year and the Charity's financial position at the end of the reporting period remained stable.

Reserves policy

The trustees aim to keep reserves in line with Charity Commission guidance, and having assessed the various risks to the Charity, believe it appropriate to maintain a minimum level of free reserves at three to six months of the forecasted future annual operating costs. Free reserves are calculated as unrestricted reserves less fixed assets excluding fixed asset investments, net of mortgages. At 31 August 2025, the Charity held free reserves of £2,370k (2024: £1,235k), equating to around 6.9 months (2024: 4.0 months), operating costs. The trustees of the Charity will review its reserves policy and continue to closely monitor the reserves position in the forthcoming year. Monies donated for a specific purpose are held as restricted reserves and separately tracked and accounted for (see financial statements and accompanying notes).

Administrative details of the charity, its trustees and advisors

Charity registration number	1109606
Company registration number	05385341
Trustees and Directors	Dr Carrie M H Herbert, Chair (from 21 August 2023) & President Revd Prof Michael J Reiss Ms Ruth Loshak (appointed 22 August 2023) Ms Jennifer R Raine (resigned 11 November 2024) Mrs Janet Scotcher (appointed 30 April 2024, resigned 11 November 2024) Mr Ralph Burditt (appointed 30 April 2025) Dr Martin Ruehl (appointed 17 June 2025)
Executive Officer	Executive Head: Mr Jason Lewis (appointed 9 December 2024, left 7 May 2025)
Company Secretary	Dr Carrie M H Herbert
Principal/Registered office	Willow Lodge 37 High Street Milton Cambridge CB24 6DF
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

Risk assessment

The trustees have assessed the major risks to which the Charity is exposed, and are satisfied that the appropriate actions, policies and procedures are in place to mitigate, but not totally eliminate, the exposure to the major risks. These are described below:

Major risks, and impact	Mitigating actions and responses
Inadequate service provision – students do not make expected progress and are unable to return to mainstream education or training.	Taster day for potential students to experience Red Balloon and agree to its operating principles. Individually negotiated curriculum for each student, and proper assessment of their needs. Recruitment of high-quality staff and counsellors who embrace Red Balloon's way of operating. Regular assessment of student's holistic progress; student feedback and discussion; adaptation of curriculum and approach as needed. Training for staff to keep up to date with subject material and regulations.
Student safeguarding – students harmed or self-harming.	Management will ensure staff members are conversant and compliant with safeguarding policies, and ensure their training is up-to-date. Appropriate de-escalation procedures are in place in the event of an incident. Health & safety risk assessment policies up-to-date and inspections carried out at appropriate intervals. Central monitoring of compliance at Learner Centres and RBAir.
Changes in government policy or regulation – adverse inspections of Learner Centres, and ability to deliver online provision through RBAir.	Monitoring of changes in regulation, policies and approach with government departments, regulators, commissioners and inspectorates, and adjusting Red Balloon policies, processes and provision as required. Monitoring the status of RBAir, and managing its online provision in line with all applicable regulations. Engagement with educators on support for bullied, traumatised or highly anxious children.
Financial insolvency – inadequate funding to cover expenditure	Focused fundraising by a dedicated development team; setting fees at an appropriate level; marketing of Red Balloon services to ensure an adequate pipeline of students. Proper budgeting and efficient cost management. Monitoring cash balances with an appropriate level of reserves on hand.
Cyber Security - resulting in a safeguarding risk, data breach (also see below), failure to conform to regulation	Implementation of IT strategy that ensures compliance, ensuring hardware and software purchases can be centrally supervised. Training to ensure compliance with revised IT strategy. Improved multi-factor authentication procedures. Compliance with Government-backed "Cyber Essentials" framework as of October 2024.
Loss of IT data and/or access to central systems – resulting in confidential data loss and/or operational disruption including online provision.	Ensuring software and virus protection on devices are up-to-date, as well as restricted physical access. Appropriate password protection maintained and offsite/cloud backup in line with IT policies. Confidential personal information is identified and encrypted. A second and distinct data line maintained for RBAir. Practices reviewed and updated in line with "Cyber Essentials" requirements.



Auditor's report and financial statements for the year ended 31 August 2025

Independent Auditor's Report to the Members of Red Balloon Educational Trust

Opinion

We have audited the financial statements of Red Balloon Educational Trust (the 'charitable company') for the year ended 31 August 2025 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Members of Red Balloon Educational Trust

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, (incorporating the strategic report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report included within the Trustees' Report.

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

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

Independent Auditor's Report to the Members of Red Balloon Educational Trust

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 29, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and how it operates and considered the risk of the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. This included employment law, financial reporting and heath & safety.

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness,
- We reviewed accounting policies for evidence of management bias and ensured that the accounting policies were correctly applied to the financial statements.
- We reviewed minutes of Trustee Board meetings, any correspondence with the Charity Commission and reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.
- We agreed the financial statement disclosures to underlying supporting documentation, made enquiries of management and officers of the charitable company regarding laws and regulations applicable to the organisation and discussed whether there had been any known breaches of laws and regulations in order to consider any possible further considerations or impact upon the Charity.
- We reviewed the risk management processes and procedures including a review of the Board assurance reporting.

Independent Auditor's Report to the Members of Red Balloon Educational Trust

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shaun Jordan ACA *(Senior Statutory Auditor)*

for and on behalf of
PRICE BAILEY LLP
Chartered Accountants
Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 22 May 2026

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	Restricted £	Unrestricted £	2025 Total £	2024 Total £
INCOME					
Donations and grants	2	145,031	121,022	266,053	514,036
Charitable activities	3	-	3,498,502	3,498,502	2,684,447
Other trading activities	4	-	3,587	3,587	2,866
Investment income	5	-	139,759	139,759	126,794
Total income		**145,031**	**3,762,870**	**3,907,901**	**3,328,143**
EXPENDITURE					
Costs of raising funds	6	(35,286)	(75,374)	(110,660)	(83,922)
Charitable activities	6	(194,000)	(3,249,338)	(3,443,338)	(3,083,545)
Total expenditure		**(229,286)**	**(3,324,712)**	**(3,553,998)**	**(3,167,467)**
Net income in the year and net movement in funds before gains and losses on investments		**(84,255)**	**438,158**	**353,903**	**160,676**
Net gains on investments		-	274,137	274,137	-
Net income in the year		**(84,255)**	**712,295**	**628,040**	**160,676**
Transfer between funds		(54,616)	54,616	-	-
Net movement in funds		**(138,871)**	**766,911**	**628,040**	**160,676**
Reconciliation of funds:					
Total funds brought forward	22b	280,778	2,906,190	3,186,968	3,026,292
Total funds carried forward	22a	**141,907**	**3,673,101**	**3,815,008**	**3,186,968**

All amounts relate to continuing activities of the charitable company.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 43 to 62.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
BALANCE SHEET
AS AT 31 AUGUST 2025

	Notes	2025 £	2024 £
FIXED ASSETS			
Intangible fixed assets	13	2,219	-
Tangible fixed assets	14	1,910,594	1,780,554
Programme related investments	15	545,762	1,272,141
TOTAL FIXED ASSETS		**2,458,575**	**3,052,695**
CURRENT ASSETS			
Debtors: amounts falling due within one year	16	352,637	351,331
Cash at bank and in hand		2,579,260	1,777,349
TOTAL CURRENT ASSETS		**2,931,897**	**2,128,680**
LIABILITIES			
Creditors: amounts falling due within one year	17	(415,470)	(624,155)
NET CURRENT ASSETS		**2,516,427**	**1,504,525**
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,975,002**	**4,557,220**
Creditors: amounts falling due after more than one year	18	(1,139,994)	(1,350,252)
Provisions for liabilities	19	(20,000)	(20,000)
TOTAL NET ASSETS		**3,815,008**	**3,186,968**
FUNDS OF THE CHARITY			
Unrestricted funds:			
-General funds	22a	2,370,619	1,234,762
-Designated funds	22a	1,302,482	1,671,428
Restricted funds	22a	141,907	280,778
TOTAL FUNDS		**3,815,008**	**3,186,968**

The attached notes on pages 43 to 63 form part of these financial statements.

The financial statements were approved by the Board of Trustees 20 May 2026 and signed on their behalf by:

Caroline Herbert - Trustee

M J Reiss - Trustee

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
STATEMENT OF CASH FLOWS
AS AT 31 AUGUST 2025

	Notes	2025	2024
		£	£
Cash Flows from Operating Activities			
Net cash provided by operating activities	26	95,422	271,910
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(238,388)	(144,790)
Purchase of intangible assets		(2,441)	-
Proceeds from sales of property, plant and equipment			
Proceeds from sale of programme related investment		1,000,000	-
Income in relation to investments		179,816	96,006
Net cash provided by / (used in) Investing Activities		938,987	(48,784)
Cash Flows from Financing Activities			
Repayments of borrowing		(232,498)	(43,662)
Net cash used in Financing Activities		(232,498)	(43,662)
Change in cash and cash equivalents in the reporting period		**801,911**	**179,464**
Cash and cash equivalents at the beginning of the reporting period	27	1,777,349	1,597,885
Cash and cash equivalents at the end of the reporting period	27	**2,579,260**	**1,777,349**

The attached notes on pages 43 to 62 form part of these financial statements.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), Charities SORP (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis and are presented in sterling, which is the functional currency of the Charity.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Charity is exempt from the requirement to prepare consolidated financial statements as its subsidiary was non trading during the year and therefore its inclusion is not considered to be material for the purposes of giving a true and fair view.

b) Going Concern

The trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

c) Legal status of the Charity

The Charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the trustees named on page 32. The number of members during the year was 7 (2024: 7). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity (2024: £10 per member).

d) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

e) Income

All income is included in the Statement of Financial Activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities relates to school fee income which is invoiced in advance at the start of each term. Fee income is recognised on a monthly basis as teaching occurs and fees received for future months are deferred as shown in note 17.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Donations, grants and gifts are recognised when receivable. In the event that a grant is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates and recognised in income in the year. Any Gift Aid amounts not received by the year end are accounted for in income and accrued income in debtors.

For legacies, entitlement is taken on a case-by-case basis as the earlier of the date on which:

- the Charity is aware that probate has been granted; and
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Charity. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

f) Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs have been allocated between governance costs and other support costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Governance and support costs have been apportioned between all activities based on staff time and use of the resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

g) Intangible fixed assets and amortisation

Intangible fixed assets are valued at historical cost. Amortisation is provided on all intangible fixed assets on a straight-line basis and are written off over their useful economic life. Amortisation rates are as follows:

Website	25% straight line

Assets are assessed for impairment at each balance sheet date. Any impairment value is recognised immediately in the statement of financial activities.

h) Tangible fixed assets and depreciation

Tangible fixed assets are valued at historical cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual values, over their expected useful lives as follows:

Office equipment	33% straight line
Fixtures & fittings	20% straight line
Computer equipment	33% straight line
Leasehold improvements	10% straight line or over the lease term if less than 10 years
Buildings	2% straight line
Freehold land	Not depreciated

Assets are reviewed for any indications of impairment at each balance sheet date.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due. Concessionary loans received at below market rates are received in order to further the charitable objects of the organisation and are therefore included at the amount received and are not discounted.

Where the Charity has a legal obligation, a dilapidations provision is created. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease.

l) Financial instruments

The Charity mostly has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at cost which is their fair value. The Charity had also held some quoted investments with Investec which were revalued to market value at each balance sheet date; gains or losses were taken to the income statement as detailed in note 16. When the investments are expected to be held for a period greater than 12 months, they are classified in the balance sheet under Fixed Assets. Included within creditors are property mortgages which are valued on the basis of cost using the effective interest rate method. Further details are in note 18.

m) Pensions

Employees of the Charity are entitled to join a defined contribution pension scheme, the assets of which are administered by NEST. The charity contribution is restricted to the contributions disclosed in note 11.

n) Operating leases

Operating leases are recognised over the period of which the lease falls due on a straight-line basis.

o) Taxation

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

p) Programme related investments

Programme related investments consist of properties rented to Red Balloon Centres. They are held at cost less any provision for impairment.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

q) Significant Estimates and Judgements

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

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. These include depreciation, debtor recoverability and bad debts. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Donations and grants

	2025 £	2024 £
Donations	107,401	119,865
Donation from subsidiary - Red Balloon of the Air	-	30,877
Grants	158,652	363,294
	266,053	514,036

Included within donations received are restricted funds of £43,879 (2024: £41,029) and unrestricted funds of £63,522 (2024: £78,836). The donation from subsidiary of £Nil (2024: £30,877) was unrestricted. Included within grants received are restricted funds of £101,152 (2024: £203,223) and unrestricted funds of £57,500 (2024: £160,071).

3 Income from Charitable Activities

	2025 £	2024 £
Levies and recharges to Red Balloon Centres	19,736	32,356
Teaching and support of bullied children	3,478,766	2,652,091
	3,498,502	2,684,447

All income from charitable activities was attributable to unrestricted funds in both the current and prior year.

4 Other trading activities

	2025 £	2024 £
Fundraising events	3,587	2,866

All income included above related to unrestricted income in both current and prior year.

5 Investment income

	2025 £	2024 £
Rents received	66,734	66,000
Deposit account interest	73,025	60,794
	139,759	126,794

All income included within investment income relates to unrestricted income in both the current and prior year.

6 Analysis of expenditure by activity – current year

	Direct costs £	Grant funding £ (note 9)	Support costs £ (note 7)	2025 costs £
Costs of raising funds	75,374	-	35,286	110,660
Charitable activities:				
Advance the education of students at Red Balloons	(138,612)	11,667	267,237	140,292
Teaching and support of bullied children	3,164,511	-	138,535	3,303,046
	3,025,899	11,667	405,772	3,443,338
	3,101,273	11,667	441,058	3,553,998

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

Analysis of expenditure by activity – prior year

Direct	Direct costs £	Grant funding £ (note 9)	Support costs £ (note 7)	2024 costs £
Costs of raising funds	55,934	-	27,988	83,922
Charitable activities:				
Advance the education of students at Red Balloons	261,176	34,042	161,086	456,304
Teaching and support of bullied children	2,466,471	-	160,770	2,627,241
	2,727,647	34,042	321,856	3,083,545
	2,783,581	34,042	349,844	3,167,467

Expenditure in 2025 related to restricted funds was £229,286 (2024: £124,319) and unrestricted funds was £3,324,712 (2024: £3,043,148).

7 Analysis of support costs

	2025 £	2024 £
Finance and professional	172,675	125,160
Bank charges	165	191
Communication	23,100	23,474
Insurance	24,572	28,434
Rent, rates and mortgage interest	32,076	21,915
Repairs and maintenance	29,314	20,378
General office expenses	13,152	9,814
Other staff costs	121,711	91,946
Governance costs (note 8)	24,292	28,532
	441,057	349,844

8 Analysis of governance costs

	2025 £	2024 £
Auditors' fees		
- for audit services	17,500	17,400
- for non-audit services	4,080	2,580
Other services	2,712	8,552
	24,292	28,532

All expenditure on governance costs is spent from unrestricted funds in 2025 and 2024.

9 Grants to individuals

	Number	Total 2025 £	Number	Total 2024 £
Bursaries	2	11,667	5	34,042

The average bursary per student in 2025 was £5,834 (2024: £6,808).

10 Analysis of staff costs and key management personnel

	2025 £	2024 £
Wages and salaries	2,383,802	2,171,016
Social security costs	233,518	187,094
Pension	50,706	45,667
	2,668,026	2,403,777

The average monthly head count during the year was as follows:	2025 Number	2024 Number
Charitable activities	94	93

The number of higher paid employees was as follows:	2025 Number	2024 Number
In the band £60,000 - £70,000	-	1
In the band £70,001 - £80,000	1	-

The employers pension contributions in relation to the above higher paid employees was £1,269 (2024: £1,000).

The charity considers its key management personnel to comprise of 6 people (7 people in the prior year). Total aggregate remuneration of key management personnel was £315,024 (2024: £334,195).

Total termination payments made were £16,000 (2024: £7,811).

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind. Expenses paid to the trustees in the year totalled £Nil (2024: £Nil). In the prior year expenses were in relation to one trustee being reimbursed for their travel expenses.

11 Pension costs

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £50,706 (2024: £45,667). Pension contributions of £14,818 (2024: £10,718) were payable to the fund at the balance sheet date.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

12 Net income

	2025 £	2024 £
Net income is stated after charging:		
Amortisation of intangible assets owned by the charity	222	-
Depreciation of charitable assets owned by the charity	115,604	88,587
Operating lease payments: land and buildings	18,667	24,904
Operating lease payments: other	5,299	5,962
Auditors remuneration:		
- for audit services	17,500	17,400
- for non-audit services	4,080	2,580

13 Intangible fixed assets

	Website £
Cost:	
At 1 September 2024	20,670
Additions	2,441
At 31 August 2025	23,111
Amortisation:	
At 1 September 2024	20,670
Charge for the year	222
At 31 August 2025	20,892
Net book value:	
At 31 August 2024	-
At 31 August 2025	2,219

14 Tangible fixed assets

	Land and buildings £	Leasehold improvements £	Fixtures & fittings, office and computer equipment £	Total £
Cost:				
At 1 September 2024	1,612,961	50,919	267,386	1,931,266
Additions	134,711	-	109,855	244,566
Disposals	-	-	(13,957)	(13,957)
At 31 August 2025	1,747,672	50,919	363,280	2,161,875
Depreciation:				
At 1 September 2024	50,022	12,535	87,077	149,634
Charge for the year	31,258	5,434	78,912	115,604
Eliminated on disposals	-	-	(13,957)	(13,957)
At 31 August 2025	81,280	17,969	152,032	251,281
Net book value:				
At 31 August 2024	1,562,939	38,385	179,230	1,780,554
At 31 August 2025	1,666,392	32,950	211,252	1,910,594

Outstanding mortgages of £866,054 (2024: £887,557) in relation to the properties are secured on the properties included in land and buildings of the Charity.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

15 Programme Related Investments

Properties rented to other Red Balloon Centres:

	£
Cost or valuation:	
At 31 August 2024	1,272,141
Disposal	(726,379)
At 31 August 2025	545,762
Net book value:	
At 31 August 2024	1,272,141
At 31 August 2025	545,762

Programme related investments represented by:

	2025 £	2024 £
220-222 Kings Road, Reading	545,762	545,762
57 Warkworth Terrace, Cambridge	–	726,379
Total	545,762	1,272,141

Outstanding mortgages of £283,860 (2024: £494,909) in the Charity in relation to the properties are secured on the properties listed above.

16 Debtors: amounts falling due within one year

	2025 £	2024 £
Trade debtors	159,760	263,864
Amounts owed by other Red Balloon Centres	11,482	22,402
Prepayments and accrued income	181,395	64,970
Other debtors	-	95
	352,637	351,331

17 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	44,935	33,628
Amounts owed to group undertakings		-
Amounts owed to other Red Balloon centres	14,818	10,718
Social security and other taxes	58,197	41,606
Other creditors and accruals	148,481	57,359
Deferred income	128,333	437,898
Mortgages due within one year	20,706	42,946
	415,470	624,155

Deferred income

	2025 £	2024 £
Deferred income at 1 September	437,898	67,851
Resources deferred during the year	128,333	437,898
Amounts released from previous years	(437,898)	(67,851)
Deferred income at 31 August	128,333	437,898

Deferred income relates to school autumn term fees, invoiced in advance of £125,333 (2024: £434,898) and rent invoiced a month in advance of £3,000 (2024: £3,000), both being unrestricted income.

RED BALLOON EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

18 Creditors: amounts falling due after more than one year

	2025 £	2024 £
Mortgages	1,129,262	1,339,520
Amounts owed to other Red Balloon centres	10,732	10,732
	1,139,994	1,350,252

Creditors: amounts falling due after more than one year include amounts not wholly repayable within 5 years as follows:

	2025 £	2024 £
Due within 2-5 years	93,507	282,343
Due after more than 5 years	1,046,487	1,067,909
	1,139,994	1,350,252

Mortgages are secured on the properties concerned. In addition, there is a debenture in relation to the Milton property mortgage, which contains a floating charge and a negative pledge.

The mortgage for the Norwich property is with The Cambridge Building Society, the Reading property with Saffron Building Society and the Milton property with CAF Bank. Both Norwich and Reading properties are interest only, the Milton property is on a capital repayment basis. The Cambridge property has been sold in the year and therefore mortgage has been repaid.

The rates at the year end were as follows:	2025 %	2024 %
76 Earlham Road, Norwich	8.04	8.64
220-222 Kings Road, Reading	8.29	8.79
57 Warkworth Terrace, Cambridge	–	8.64
37 High Street, Milton	4.23	4.23

The mortgage interest on the Milton property is fixed for the first five years (commencement 6 April 2022). All other mortgages are on variable interest rates.

19 Provisions for liabilities

	Dilapidations 2025 £	2024 £
At 1 September	20,000	20,000
Movement in year	-	-
At 31 August	20,000	20,000

20 Capital commitments

As at 31 August 2025 the Charity had no capital commitments to disclose (2024: £Nil).

21 Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

Land and Buildings

	2025 £	2024 £
Within one year	51,320	29,197
Within two to five years	162,000	112,309
After more than five years	340,940	135,912
	554,260	277,418

Other

	2025 £	2024 £
Within one year	5,510	5,962
Within two to five years	3,536	4,655
	9,046	10,617

Included within other operating lease commitments are photocopier leases in the name of the charity.

RED BALLOON EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

22a Funds analysis – current year

	Balance at 01/09/24 £	Income £	Expenditure £	Transfers £	Gains/ losses £	Balance at 31/08/25 £
General Funds	1,234,762	3,762,870	(3,324,712)	697,668	-	2,370,588
Designated Funds:						
-Intangible & tangible fixed assets	894,196	-	-	146,385	-	1,040,581
-Programme related investments	777,232	-	-	(789,437)	274,137	261,932
Total unrestricted funds	2,906,190	3,762,870	(3,324,712)	54,616	274,137	3,673,101
Restricted funds						
Bursaries	25,981	77	(11,667)	-	-	14,391
Funding for staff training	27,194		(7,195)	-	-	19,999
Funding for expansion of the Red Balloon provision	86,535	32,676	(91,845)	(9,069)	-	18,297
Other restricted donations for IT and other equipment, teachers, interns etc	113,968	112,279	(118,580)	(18,447)	-	89,220
37 High Street, Milton refurbishment	27,100	-	-	(27,100)	-	-
Total restricted funds	280,778	145,032	(229,286)	(54,616)	-	141,907
Total funds	3,186,968	3,907,902	(3,553,999)	-	-	3,815,008

22b Funds analysis – prior year

	Balance at 01/09/2023 £	Income £	Expenditure £	Transfers £	Balance at 31/8/2024 £
General Funds	1,238,346	3,083,891	(3,043,148)	(44,327)	1,234,762
Designated Funds:					
- Intangible & tangible fixed assets	816,066	-	-	78,130	894,196
- Programme related investments	754,298	-	-	22,934	777,232
Total unrestricted funds	2,808,710	3,083,891	(3,043,148)	56,737	2,906,190
Restricted funds					
Bursaries	59,826	197	(34,042)	-	25,981
Funding for staff training	28,128	-	(934)	-	27,194
Funding to further develop and expand the Red Balloon provision	7,714	81,707	(2,886)	-	86,535
Other restricted donations for IT and other equipment, teachers, interns etc	119,497	137,348	(86,140)	(56,737)	113,968
37 High Street, Milton property & refurbishment	2,417	25,000	(317)	-	27,100
Total restricted funds	217,582	244,252	(124,319)	(56,737)	280,778
Total funds	3,026,292	3,328,143	(3,167,467)	-	3,186,968

RED BALLOON EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

22c Funds analysis – fund types

During the year, £54,616 (2024: £56,737) was transferred from restricted to unrestricted funds in relation to capital expenditure as the restrictions were satisfied upon purchase of the assets. This included £29,600 towards the refurbishment of Willow Lodge, £15,300 towards a garden room in Worthing, and £9,069 from equipping the new Aylesbury centre.

Restricted Funds

- Bursaries fund – Grants and donations received to enable the charity to directly support individual students at Red Balloon of the Air and Red Balloon Learner Centres.
- Red Balloon Development and Expansion fund – funds awarded to help with the growth and development of the Red Balloon Learner Centres and Red Balloon of the Air Provision, including grants totalling £22,676 (2024: £26,706) specifically for the establishment of the new centre in Aylesbury, as well as £45,000 (2024: £45,000) for new centre project management.
- Other restricted donations fund – Individual grants and donations for specific resources. These have included a significant contribution towards teaching, therapist and management posts across the organisation, as well as various generous donations towards student resources in all centres.
- 37 High Street, Milton property & refurbishment – A grant of £25,000 received towards the development of the garage into a student therapy space.

Designated Funds used for the purposes of fixed assets

- These represent the net book value of intangible fixed assets, tangible fixed assets and of programme related investments at the year end, after deducting outstanding mortgages due on the properties.

23a Analysis of net assets by funds – current year

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Intangible fixed assets	-	2,219	2,219
Tangible fixed assets	-	1,904,416	1,904,416
Programme related investments	-	545,762	545,762
Current assets	171,242	2,760,655	2,931,897
Creditors due within one year	-	(409,292)	(409,292)
Creditors due in more than one year	-	(1,139,994)	(1,139,994)
Provisions for liabilities	-	(20,000)	(20,000)
	171,242	3,643,766	3,815,008

23b Analysis of net assets by funds – prior year

Charity	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	-	-	-
Tangible fixed assets	-	1,780,554	1,780,554
Programme related investments	-	1,272,141	1,272,141
Current assets	286,280	1,842,400	2,128,680
Creditors due within one year	-	(624,155)	(624,155)
Creditors due in more than one year	-	(1,350,252)	(1,350,252)
Provisions for liabilities	-	(20,000)	(20,000)
	286,280	2,900,688	3,186,968

24 Events after the balance sheet date

Post year end, there has been an OFSTED visit at the Red Balloon Norfolk Centre. The inspection identified several areas for improvement. A full improvement plan, focusing on the key areas highlighted by Ofsted, is being implemented by the trust, and supported by Norfolk County Council.

25 Related party transactions

Analysis of Red Balloon related parties – current year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon Norwich	10,579	-	28,126	-
Red Balloon Reading	903	-	39,453	-
Red Balloon Cambridge	-	-	16,328	-
Red Balloon NW London	-	-	31,211	-
	11,482	-	115,118	-

Analysis of Red Balloon related parties – prior year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon Norwich	22,402	-	44,197	-
Red Balloon Reading	-	-	30,671	-
Red Balloon Cambridge	-	10,732	49,840	-
Red Balloon NW London	-	-	28,184	-
	22,402	10,732	152,892	-

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

25 Related party transactions (continued)

In March 2022, the Charity entered into a lease agreement for a property at 52-54 Windsor Road, Worthing with Solewild Ltd, a company in which Mr. N Munday, who was appointed as a Trustee of Red Balloon Educational Trust on 5 October 2022, is the sole Director. During the year the Charity incurred expenditure totaling £17,038 (2024: £18,999) in relation to Solewild Ltd, which includes rent of £13,473 (2024: £15,839) and £3,565 (2024: £3,161) for other Worthing property-related costs, including insurance. At the year end, a balance of £Nil (2024: £Nil) was owed by the Charity to Solewild Ltd, included in trade creditors and a balance of £Nil (2024: £Nil) was owed by Solewild Ltd to the Charity, included in trade debtors. Prepayments of £4,246 (2024: £4,525) and an accrual for the lease incentive of £24,134 (2024: £21,536) are also recorded at the year end.

During the year, sums totalling £3,000 (2024: £4,300) in grants and donations were received from organisations linked to Tim Ingles, who has a family connection with one of the trustees of RBET. There were no amounts outstanding from these organisations at the year end (2024: £Nil).

There are no other related party transactions to note.

26 Reconciliation of net expenditure to net cash flow from operating activities

	2025 £	2024 £
Net income for the reporting period (as per the statement of financial activities)	**628,040**	**160,676**
Adjustments for:		
Amortisation charges	222	-
Depreciation charges	115,604	88,587
Gain on disposal of investments	(274,137)	-
Income in relation to investments	(179,816)	(126,794)
Increase in debtors	(1,868)	(242,308)
Increase / (decrease) in creditors	(192,623)	391,749
Net cash provided by operating activities	**95,422**	**271,910**

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

27 Analysis of changes in net debt

	Balance at 31/8/24 £	Cash flows £	Other non-cash changes £	Balance at 31/8/2025 £
Cash and cash equivalents:				
Cash	1,777,349	801,911	-	2,579,260
Borrowings:				
Debt due within one year	(42,946)	22,496	-	(20,450)
Debt due after one year	(1,339,520)	211,026	(714)	(1,129,208)
	(1,382,466)	233,522		(1,149,658)
Total	394,883	1,035,433	(714)	1,429,602

Borrowings relate to mortgages on the 3 (2024: 4) properties owned by Red Balloon Educational Trust.





Red Balloon Educational Trust
(a company limited by guarantee)

Annual Report and Financial Statements
for the year ended 31 August 2025

Registration No. 05385341
(England and Wales)
Charity No. 1109606

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@RedBalloonEducation

www.redballoonlearner.org

Sign up to our e-newsletter at
www.redballoonlearner.org/mailinglist

Red Balloon Educational Trust

England & Wales - Charity number 1109606

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Charity no: 1109606

www.redballoonlearner.org

Registered with FUNDRAISING REGULATOR

Red Balloon Educational Trust

Annual Report 2023/24



RedBalloon
Educational Trust

I spent the best part of two school years out of education before I found Red Balloon. I started at Red Balloon at the end of year 10, terrified for my future and convinced I would end up as nothing. Instead, they showed me something I hadn't seen before. True compassion.

They took the broken pieces of me and didn't try to fix it for me, but helped me realise I could do that myself. There are no divisions between staff and student, it's a truly collaborative environment for education and growth and, as corny as it sounds – it was like a family.

Red Balloon Alumna



Many young people struggle in the classroom because of trauma, bullying or ESBA (emotional-based school avoidance). Red Balloon helps young people re-engage with education in a way that is comfortable for them. We help build the confidence they need to get back on track academically and socially.

Red Balloon Educational Trust Annual Report 2023/24

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Red Balloon Educational Trust Annual Report 2023/24

Introduction from the Chair

The 2023-2024 academic year has marked a period of meaningful growth and strategic transformation for Red Balloon Educational Trust.

Most significantly, we were proud to open our newest Centre, Red Balloon Educational Trust - Norfolk, expanding our reach and enabling us to serve more young people in need of our recovery programme. With wonderful local and donor support we refurbished and updated our Earlham Road building, grew our staff team and passed Ofsted registration to open in January 2024. This milestone reflects our ongoing commitment to increasing the number of safe, nurturing spaces where children can rebuild their confidence, re-engage with learning, and thrive. You can read more about our newest Centre on page 10.

To support our continued expansion, we undertook a major restructuring of our central team. This included streamlining our operations to become more agile and efficient, enabling us to focus more effectively on opening new Centres. As part of this process, we outsourced our IT and HR functions, and brought in two part-time educational consultants whose expertise is helping to shape the future of our programmes.



Throughout the year, we also laid the groundwork for the opening of a new Centre in Aylesbury—an exciting development that will further extend our impact in the year ahead.
As you read this report, we hope you'll share in our pride at what has been accomplished and our optimism for the future. Together, we are making a lasting difference in the lives of the young people who need us most.

With warm regards,



Carrie Herbert
Founder and Chair of Trustees

About Red Balloon

Red Balloon provides a safe and nurturing space for young people aged 11-18 who cannot attend mainstream schools due to social, emotional, or mental health challenges, trauma, or unmet special educational needs. These students often face prolonged periods away from education, missing out on crucial opportunities and experiences. As isolation grows, their confidence diminishes, putting them at risk of falling through the gaps in both educational and mental health systems, which can make the transition to adulthood even more daunting.

Thanks to the incredible generosity of our donors and volunteers, Red Balloon offers a holistic educational programme tailored to each student's unique needs. Our approach blends social re-engagement, academic learning and wellbeing support, helping young people rebuild their confidence and rediscover their self-worth. They find joy in learning again and gain the tools they need to move forward. No matter if they are returning to mainstream education, pursuing further education or training, or starting employment, our young people are ready to thrive.

As far as we are from the aftermath of the pandemic, Red Balloon's mission is still more vital than ever. With nearly 100,000 children missing from schools (Centre for Social Justice, Lost but not Forgotten, 2022), we are working closely with commissioners and donors to address this urgent issue and ensure that every young person has access to the education and support they deserve.

About Red Balloon Educational Trust

Red Balloon Educational Trust operates the Red Balloon of the Air provision (since Oct 21), Red Balloon Worthing (opened Sept 22), and RBET-Norfolk (opened Jan 24) as well as continuing to act as the coordinating and service centre for the other four physical Centres. These four Centres are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement. The Red Balloon of the Air provision also operated through a separately registered charity and company limited by guarantee until Oct 21.

Our year at a glance

Our students achieve amazing things. Of the students who took GCSE exams and other qualifications in the 2023-24 year:

100% achieved grades 4-9 in English Literature

70% pass rate in Biology

This year, we supported:

117
children total

This year, our students achieved:

74%
attendance across all Centres

This year, we provided:

19,365
lessons

1,574
wellbeing sessions

34 ***school trips***

9,412
healthy, home-cooked lunches

13 ***school clubs***

4 ***STEM Workshops***

Our locations

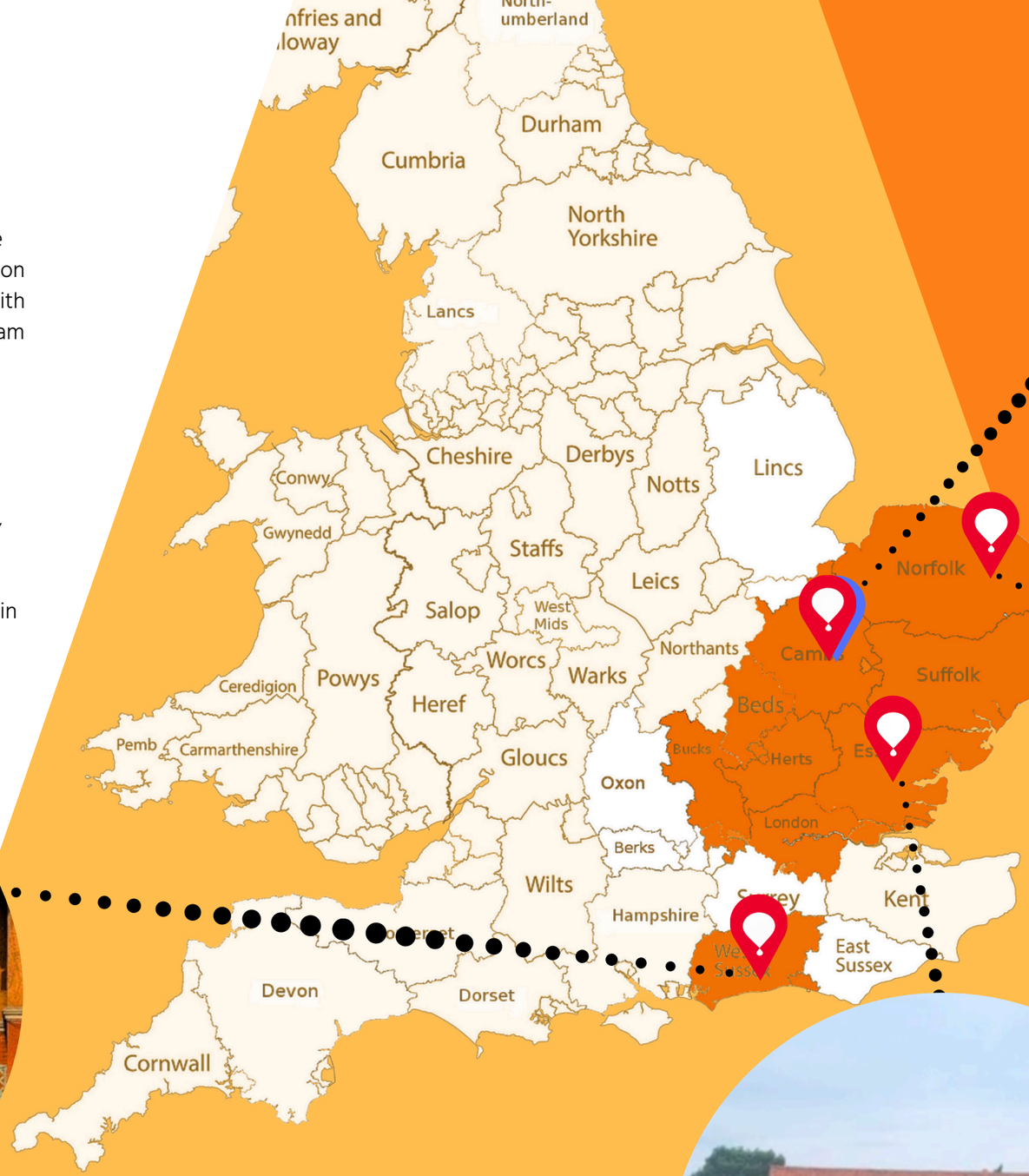
Our RBET headquarters, based at Willow Lodge in Milton on the outskirts of Cambridge, is home to the blended online and face-to-face provision, Red Balloon of the Air, but covering various different counties, with several face-to-face hubs. RBET's Central Services team is also based at Willow Lodge.

RBET also has a Learning Hub based in Danbury, supporting young people on RBAir in Essex.

In September 2023 we opened our Worthing Centre, which supports students in the West Sussex area.

In January 2024 RBET opened a new physical Centre in Norwich (RBET-Norfolk) to support young people across Norfolk.











RBET Centres and learning hubs

Red Balloon of the Air main office

Red Balloon Educational Trust supports students across the counties highlighted above.

New Centre: Red Balloon Educational Trust Norfolk

At the beginning of 2024 we opened Red Balloon Educational Trust – Norfolk (RBET - Norfolk), our second physical Centre under the Red Balloon Educational Trust umbrella.

RBET – Norfolk serves up to 20 young people attending in person and on a full-time basis.

In 2022, the Earlham Road building in Norwich that Red Balloon Educational Trust owned became vacant. Simultaneously we were finding that the demand in the area for a programme like Red Balloon was especially high – higher than was practical for our sister Centre, Red Balloon Norwich, to serve alone. In March of 2023 we began working to refresh the building and bring it up to new safety and accessibility standards. This would allow us to re-open as Red Balloon Educational Trust - Norfolk. In preparation for opening, we received so much support from the local community with wonderful volunteers and donors helping us to refurbish and equip the space with all the tools our young people would need in their journey back into education.

In the few months since RBET – Norfolk has been open, the Centre has enabled more children to get the life-changing support they need and deserve. It means more children in Norfolk can begin to improve their mental health, be part of compassionate communities, get tailored educational support and build their lives back.

With 15 students on roll before the end of the summer term and a wonderful staff team, the Centre is feeling like a home away from home. We've started a mural, gone hunting for Easter eggs, picked out books for our library and had our first four-legged visitor! We're excited for what the future holds for RBET – Norfolk as we continue to grow and provide a safe, nurturing environment where our young people can recover and go on to thrive.

RBET – Norfolk has received amazing support from donors who have helped us refurbish the building and purchase essential equipment and learning resources like tables, books and IT equipment.



Our beautiful Centre is located on Earlham Road, just a 10-minute drive from Norwich City Centre.



Our values, ethos and practice

Red Balloon Learner Centres were established for the recovery of severely bullied, traumatised or highly anxious children and young people who are missing education.

The students are typically those who self-excluded and had been out of school for some time, in some cases years. They have lost their confidence in learning, making friends, their trust in adults and the education system. The Recovery Programme that was developed has three components: a robust and negotiated curriculum, an integrated therapy and creative arts programme, and local community activities.

The breakdown of these three areas is based on the learners' needs. Often when they first arrive it is important to create a safe space, so therapy, community activities and the creative arts provide the opportunity to build confidence before academic learning can begin.

Students are given support to:

- **rebuild their self-esteem and grow as individuals**
- **develop resilience and a positive self-image**
- **build the necessary learning skills to succeed when they return to school, move on to further education or enter the world of work.**

Step into any of our Centres and you will feel warmth and an air of supportive companionship, with small groups of students engaged in creative activity and serious learning. Children thrive thanks to the three core components of our programme - wellbeing, community and education - which provide them with holistic support. You can read more about each of our components in later pages.

To maintain our supportive learning communities we ensure that we:

- **treat our students with respect and kindness, using restorative approaches**
- **listen to our students and respond to their concerns**
- **establish communities to which our students and staff feel they belong and to which they contribute**
- **design individualised, negotiated educational and wellbeing plans to enable students to meet their goals**
- **combine academic study with social and emotional recovery programmes**
- **encourage creativity at all levels.**

Wellbeing

Mental health and emotional wellbeing are essential to being a happy and healthy individual, not only important in their own right they also form the foundations to enable us to thrive and to succeed.

“The people at Red Balloon really care about us students.”



Every young person should have access to provision that nurtures their wellbeing and self-confidence.

At Red Balloon, wellbeing support is at the heart of what we do. We understand that not all young people thrive in mainstream education. Challenges like bullying, trauma, mental health struggles, emotional-based school avoidance and insufficient support can make traditional school settings inaccessible. That’s why we focus on prioritising wellbeing for every student.

Working hand-in-hand with licensed therapists, we help young people rebuild their confidence and rediscover their self-worth. This support isn’t just an add-on. It’s an integral part of each student’s routine. By embedding this support into their schedules, we aim to nurture their emotional recovery and pave the way for success.

Beyond therapy, we offer a range of wellbeing activities designed to recharge and inspire. From non-competitive sports to yoga and meditation, these activities encourage young people to step out of their comfort zones and explore new ways to connect with themselves and others.

Our mentors play a pivotal role in each young person’s journey. For students too anxious to attend in-person sessions, mentors provide one-on-one support at home to help them develop the confidence and skills needed to engage with the world around them. Acting as trusted guides, mentors support young people in achieving their personal goals and continue to offer guidance as they continue their educational journey.

We firmly believe the wellbeing is the cornerstone of learning, growth and success. By placing mental health and emotional recovery at the forefront, we empower our students to overcome challenges and unlock their potential.

Education

Lessons that cater to each student's passions and abilities to help spark a love of learning once more.

“

I wouldn't have had a voice if it weren't for Red Balloon.

”



Every young person at Red Balloon is unique. When we empower them to follow their individual interests and provide the personalised support they need, they can truly thrive.

Returning to education after a long break can be tough - both mentally and academically. That's why it's essential to create a learning environment that is enjoyable, engaging and free from shame. By using a negotiated curriculum, we meet students at their current level and incorporate their interests into their learning. We talk to them about their goals and learning preferences, then work together to develop a tailored programme. This helps build academic and critical thinking skills while boosting confidence, sparking curiosity, and making learning something to look forward to.

To support students as they ease back into education, many begin with one-on-one sessions with their teacher. These sessions help build trust, and once students feel more at ease they can join small groups. This gradual approach lets them work at their own pace, ask questions freely and collaborate without feeling overwhelmed.

For students who've had difficult school experiences or have sensory sensitivities, traditional school environments can be intimidating. That's why our Centres and Learning Hubs are designed to feel like home. Located in converted houses, these spaces offer soft seating, cozy nooks and quiet areas for breaks when things get too much. Instead of uniforms, students wear clothes that make them feel comfortable and reflect their identity. Staff are called by their first names, and every day includes a shared, home-cooked lunch where students and staff connect and talk about the day ahead.

Students have access to core subjects like English, Maths, Sciences, Humanities, and PSHEE (Personal, Social, Health and Economic Education). Additional subjects vary by Centre based on student interests, with popular options including Psychology, Animal Care, and Art. If a student has a specific passion or is working toward a qualification, we do everything we can to support that. There are also extracurricular opportunities like trips and clubs to enrich the learning experience.

Social re-engagement

Helping our young people develop their social skills and rejoin communities

> What I value at Red Balloon is that everyone accepts each other for our uniqueness.



We want our young people to develop a sense of belonging, form sincere and meaningful relationships, and feel comfortable interacting with the outside world.

The children that come to Red Balloon have been unable to meaningfully engage with school for many weeks, months or even years. During this time, it's not just their education that suffers. Without the routine and community of school, many become increasingly isolated and miss out on developing friendships, social and life skills. They have often had very negative experiences in school such as severe bullying or a lack of appropriate support which has led them to have few if any friends and a deep distrust in the people and systems around them. Everyday conversations, asking for help and being part of a team feel like big insurmountable challenges.

At Red Balloon we help our young people build their skills and confidence in speaking to others, asking for help and being part of a strong and positive community. We help them to navigate everyday places and interactions like the supermarket, public transport or making phone calls. Each young person starts in a different place, and we meet them where they're at. We take gradual steps so they feel supported and their progress is sustainable and long-term. For some young people, this might mean working up to leaving the house and having 1:1 sessions with their teachers. As they become more confident, they may feel comfortable joining a small group lesson and then a small social session.

Some young people arrive already feeling confident in group sessions and work towards co-organising group trips to local museums, parks and other attractions or taking on supported volunteering.

As students grow socially, academically and in other ways, they may be ready to move on from Red Balloon. For many this transition to a new school, a new training programme or perhaps into employment can be difficult. We might help students prepare for this transition by practising conversations they're likely to have, going over their new route to college ahead of time or helping them to identify the people and support services who can help them if they have questions or need assistance. Social re-engagement can be a slow and sometimes challenging process for our young people but seeing the shift as they begin to trust the adults around them, form new friendships with their peers and re-engage with the world is remarkable. The skills and courage they develop at Red Balloon will serve them throughout their lives as they move through education, enter employment, build their own networks and communities and pursue the things that are important to them.

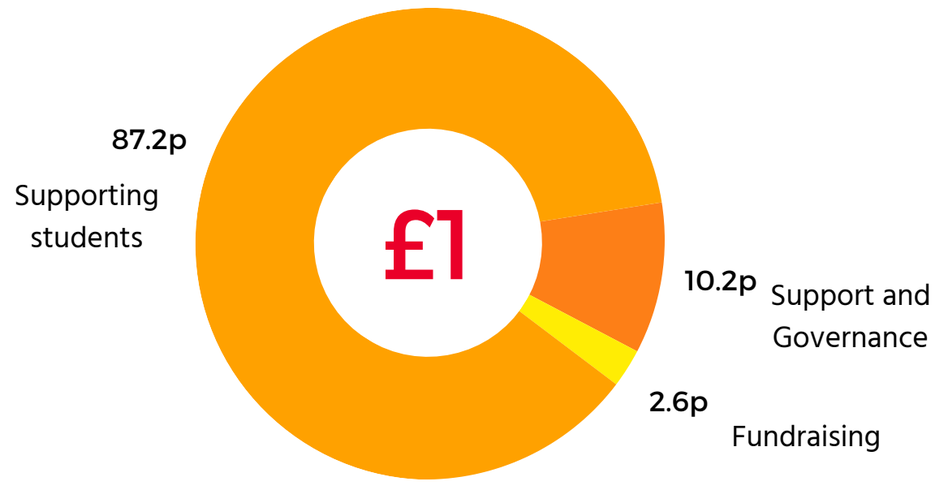
Fundraising: a year of amazing support

We couldn't do what we do without our incredible supporters who have donated money, time and expertise to keep our Centres running and help us reach more young people in need of our provision. It is thanks to them that our young people are able to turn their lives around.

A very special thanks to our supporters below

The Anne French Memorial Trust
Baring Foundation
Benefact Group
Bruce Wake Charitable Trust
Charles River, Chesterford Park
Christine Buccella
Cambridge Intelligence
Carpenter Box Charitable Foundation
David Soanes
Diarmuid Ó Séaghdha
Eastern Counties Educational Trust
Garfield Weston Foundation
Govia Thameslink Railway
The Guvnors Club
Nic Humphries
Ingles & Hayday
The Ingles Charitable Trust
The Leri Charitable Trust
National Philanthropic Trust and The Eligator
Sansom Family Fund
Norwich Consolidated Charities
The PwC Pantomime
The Simon Gibson Charitable Trust
The St. James's Place Charitable Foundation
Tesco Community Grants
Roffey Homes
Rotary Cambridge

For every £1 Red Balloon Educational Trust spent in 2023/24, 87.2p went on direct costs supporting students.



We cannot operate effectively without good management and fundraising efforts.



Supporter case study: Tim Ingles

Tim Ingles has supported Red Balloon for decades in many ways: as an individual, through his company and also through a family trust. With a passion for bringing music to those who would otherwise miss out, in the last six years alone he has donated over £30,000 to projects at Red Balloon and has helped over 119 young people explore and discover making, playing, listening to, and healing through music.

Supporter Tim shares his story and his passion for bringing music to disadvantaged young people.

I first heard about Red Balloon about 30 years ago – I was engaged to be married and my future mother-in-law's first cousin was Carrie Herbert, the founder of Red Balloon. I had met Carrie, whose reputation as a trailblazing campaigner for bullied children preceded her, and we got chatting.

I am the trustee of a family charitable trust set up by my father in the early 1970s, and Carrie and I discussed the possibility of the trust supporting Red Balloon. I mentioned it to my father, and it struck a chord with him, I think partly because my brother sometimes had a tough time at school. And so began a long association between our two families, not only through my marriage to Carrie's cousin (still going strong!) but between Red Balloon and the Ingles Trust.

In the late 90s I was training as an auctioneer at Sotheby's and Carrie occasionally invited me to Cambridge to take a fundraising auction for RB. I soon realised that keeping an audience of potential donors engaged and amused was much more challenging than my day job of auctioning violins and cellos to our customers, but the events were great fun, and have evolved over the years into events that have consistently raised tens of thousands of pounds.

The primary aims of the Ingles Trust are to help disadvantaged children and to support music education, and these two aims sit very well with our ongoing support of music therapy and music education at various Red Balloon Centres. It is genuinely inspirational and moving to see children who are too terrified to go to school rebuilding their confidence through singing and playing music together, and gradually recovering sufficiently to return to mainstream education.

These days Red Balloon is supported not only by the Ingles Trust, but also by my company Ingles & Hayday, which was founded in 2012 when I left Sotheby's. And I have been lucky enough to take part in numerous Red Balloon fundraising golf days at Woburn, by some distance the poshest golf course I have ever played!

> "Music has been the most significant influence in my life, both professional and personal. I feel privileged to be surrounded by beautiful music on a daily basis, and I am determined to give others less fortunate than myself the opportunity to experience the same."



Our plans for the future

Our strategic objectives for the next three years are to:

Improve the way students are supported

- Open more Red Balloon Centres and offer more places at each Centre, using RBAir, to meet the needs of the growing number of severely bullied and highly anxious children and those with trauma-informed backgrounds who are unable and unwilling to attend mainstream school.
- Raise the standards at all Red Balloon Centres with regard to our educational, wellbeing and personal recovery programme. Ensure staff understand and apply Red Balloon's Philosophy and Practice and are at the forefront of best practice, offering first-class support to students.
- Provide opportunities for professional development through regular meetings with staff from each of our Centres to exchange best practice, discuss current trends in education and discuss relevant and challenging theories of learning.
- Continue to develop secure safeguarding systems, encouraging appropriate training for all staff and streamlining administrative processes and logistical tasks, thereby improving efficiency and reducing the time and costs associated with such work.

Inspire more people to support our work

- We will diversify our funding sources to reflect the challenging fundraising landscape and to finance our growth plans.
- We will continue to develop our donor stewardship so that every one of our supporters has a positive experience, however they choose to support our work.
- We will establish relationships with new charitable trusts and individual donors.
- We will strengthen our national voice and influence regarding children missing from school because of bullying, anxiety and trauma.
- We will raise the attention of local authorities and other educational bodies to the importance of student wellbeing, particularly in regions which we have identified for growth.

Reach more isolated and vulnerable children

To meet the growing need, we shall expand Red Balloon provision so we can reach more bullied, anxious and traumatised children.

This past year we have achieved this goal by:

- opening a new Centre in Norfolk.

And we will continue to work towards this aim by:

- opening a further additional Centre in Aylesbury
- expanding our RBET Learning hub in Danbury and move it to Chelmsford
- continuing to support an increasing number of students on Red Balloon of the Air
- exploring ways to establish further Centres in areas where the need is greatest.

Manage our charity as effectively and efficiently as possible

- We will continue to open more Centres under the umbrella of Red Balloon Educational Trust.
- We will continue to review our procedures to ensure transparency, accountability, responsiveness and compliance with relevant regulations and legislation.
- We will continue to identify and manage major risks to our organisation.
- We will develop, implement and maintain a workforce plan that enables Red Balloon to recruit, motivate, train and retain staff with the skills and competencies required to meet needs now and in the future.
- We will continue to develop and implement a volunteer involvement programme to enrich students' Red Balloon experience.
- We will utilise appropriate existing and new technologies, particularly at RBAir, to enhance the ways that staff support students.

Financial review

Risk assesment

Structure, governance and management

Financial review

Red Balloon Educational Trust (RBET) ('the Charity') operates Red Balloon's blended online and face-to-face provision, Red Balloon of the Air (RBAir Education Activity), since Oct 21, Red Balloon Worthing (RB-W), which opened in Sept 22, and Red Balloon Educational Trust – Norfolk (RBET-N), which opened in Jan 24. Prior to Oct 21, the RBAir Provision was operated through a separately registered charity and company limited by guarantee, Red Balloon of the Air ('RBAir Company'). In addition, RBET continues to act as the coordinating centre for a number of related Red Balloon Learner Centres in Cambridge, Norwich and Reading. These entities are separately registered charities and companies limited by guarantee, with the local trustees as their directors, and operate under the Red Balloon name by way of an association agreement.

On 12 October 2021, the operations, assets and liabilities of RBAir Company, except for those in relation to a lease on the Danbury property, were transferred to its parent company, Red Balloon Educational Trust. In 2022-23 the lease was transferred to RBET, and in 2023-24 the final balances were transferred from the separate company, and are included in the results for the year ended 31 Aug 24. As the RBAir company is non-trading, consolidated accounts have not been prepared this year.

The Charity's net assets increased by £161k (2023: £283k) to £3,187k (2023: £3,026k) in the year. Income for the charity increased from £2,904k in 2022-23, to £3,328k in 2023-24, primarily due to the addition of the new Centre in Norfolk and high student numbers in Worthing throughout the year. Additionally, there was an increase of £81k in income from donations and grants, and an increase of £44k in investment income.

Costs increased by £546k (2023: £596k) to £3,167k (2023: £2,621k) owing to increased expenditure for the Norfolk Centre and, most significantly, an increase of £377k in staff costs across the organisation (2023: £667k) and £19k (2023: £nil) in recruitment. There were also increases of £33k (2023: £32k) in depreciation and amortisation charges; £8k (2023: £8k reduction) in bursaries awarded, and £19k increase (2023: £43k reduction) in support costs. These increases were partially offset by lower expenditure of £10k (2023: £16k increase) in repairs and maintenance, £6k (2023: £2k higher) in insurance.

Investment policy and performance

During 2023-24, surplus funds were split between CAF Bank savings accounts and the CCLA COIF Charities Deposit Fund. The CAF Bank Savings accounts were paying interest at the end of the financial year of approximately 2.5% pa (2023: 2.5% pa), and the CCLA COIF Charities Deposit Fund was yielding a return of approximately 4.99%. The COIF Charities Deposit Fund, categorised as a short-term Low Volatility Net Asset Value Money Market Fund, was opened with CCLA in October 2023. There is no minimum holding period and it allows for withdrawals on any business day without having to pay a penalty. The trustees believe splitting surplus funds between the CAF Bank savings account, currently paying interest at 2.15% pa and the CCLA COIF Charities Deposit Fund, currently paying interest at approximately 4.54% pa, appropriately balances the need for ready access, good security and investment return.

Reserves policy

The trustees aim to keep reserves in line with Charity Commission guidance, and having assessed the various risks to the Charity, believe it appropriate to maintain a minimum level of free reserves at three to six months of the forecasted future annual operating costs. Free reserves are calculated as unrestricted reserves less fixed assets excluding fixed asset investments, net of mortgages. At 31 August 2024, the Charity held free reserves of £1,235k (2023: £1,238k), equating to around 4.0 months (2023: 4.6 months), operating costs. The trustees of the Charity will review its reserves policy and continue to closely monitor the reserves position in the forthcoming year.
Monies donated for a specific purpose are held as restricted reserves and separately tracked and accounted for (see financial statements and accompanying notes).

Going concern

The RBAir Education Activity student numbers have remined at a lower level than in previous years, although still generated a surplus at departmental level. RB-Worthing has continued to operate steadily with high demand for the provision, resulting in a surplus in 2023-24, and expecting a further surplus in 2024-25. RBET-Norfolk had 15 students on roll by the end of the year and is forecasting a surplus for 2024-25. One-off costs associated with the restructure of the RBAir Education Activity, and the work on the new Centre in Aylesbury will have an impact on the finances in 2024-25, so a small loss is forecast for the year 2024-25, but a surplus is forecast for the following year. Following a detailed review of the Company's forecasts and projections, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

There were no significant events affecting the Charity's financial position during the year and the Charity's financial position at the end of the reporting period remained stable.

Risk assessment

The trustees have assessed the major risks to which the Charity is exposed, and are satisfied that the appropriate actions, policies and procedures are in place to mitigate, but not totally eliminate, the exposure to the major risks. These are described below:

Major risks, and impact	Mitigating actions and responses
Inadequate service provision – students fail to improve and are unable to return to mainstream education or training.	Taster day for potential students to experience Red Balloon and agree to its operating principles. Individually negotiated curriculum for each student, and proper assessment of their needs. Recruitment of high-quality staff and counsellors who embrace Red Balloon's way of operating. Regular assessment of student's holistic progress; student feedback and discussion; adaptation of curriculum and approach as needed. Training for staff to keep up to date with subject material and regulations.
Student safeguarding – students harmed or self-harming.	Management will ensure staff members are conversant and compliant with safeguarding policies, and ensure their training is up-to-date. Appropriate de-escalation procedures are in place in the event of an incident. Health & safety risk assessment policies up-to-date and inspections carried out at appropriate intervals. Central monitoring of compliance at Learner Centres and RBAir.
Changes in government policy or regulation – adverse inspections of Learner Centres, and ability to deliver online provision through RBAir.	Monitoring of changes in regulation, policies and approach with government departments, regulators, commissioners and inspectorates, and adjusting Red Balloon policies, processes and provision as required. Monitoring the status of RBAir, and managing its online provision in line with all applicable regulations. Engagement with educators on support for bullied, traumatised or highly anxious children.
Financial insolvency – inadequate funding to cover expenditure	Focused fundraising by a dedicated development team; setting fees at an appropriate level; marketing of Red Balloon services to ensure an adequate pipeline of students. Proper budgeting and efficient cost management. Monitoring cash balances with an appropriate level of reserves on hand.
Cyber Security - resulting in a safeguarding risk, data breach (also see below), failure to conform to regulation	Implementation of IT strategy that ensures compliance, ensuring hardware and software purchases can be centrally supervised. Training to ensure compliance with revised IT strategy. Improved multi-factor authentication procedures. Compliance with Government-backed "Cyber Essentials" framework as of October 2024.
Loss of IT data and/or access to central systems – resulting in confidential data loss and/or operational disruption including online provision.	Ensuring software and virus protection on devices are up-to-date, as well as restricted physical access. Appropriate password protection maintained and offsite/cloud backup in line with IT policies. Confidential personal information is identified and encrypted. A second and distinct data line maintained for RBAir. Practices reviewed and updated in line with "Cyber Essentials" requirements.

Structure, governance and management

Constitution

The Charity is registered as a charitable company limited by guarantee.
The Charity is constituted under a Memorandum of Association dated 21 February 2005 and its charity registration number is 1109606.

Method of appointment or election of trustees

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited to fulfil specific roles. Interviews take place and candidates who most closely match the selection criteria are invited to attend a trustees meeting as an observer. No person or external body other than the trustees are entitled to appoint trustees.

Policies adopted for the induction and training of trustees

i) All new trustees are invited to visit an existing Red Balloon Learner Centre in order to appreciate how it differs from a school and how it operates.
ii) All new trustees meet with the Chair and the Finance Director. The Chair explains the aims of the Charity.
iii) The Chair describes the history of the founding and development of Red Balloon, defines 'bullying' with examples of the kind of treatment to which students were subjected in mainstream school and which led to them refusing or becoming unable to attend. She expounds the five core principles governing the operation of the individual Learner Centres.
iv) The Finance Director acquaints them with the financial basis of the Charity.
v) The trustees are given the documents issued by the Charity Commission regarding the duties of trustees ("The Essential Trustee"), together with "Red Balloon - An Introduction".
vi) All trustees are required to provide satisfactory DBS clearing, complete basic online PREVENT and Child Protection training, a Trustee Declaration of Interests and confirm that they are a suitable person to stand as a trustee.
vii) The induction process includes meetings with the main contact staff relevant to their specific job role and other trustees. Final election and confirmation as a trustee is carried out at a full Trustees' meeting.

Structure, governance and management

Organisational structure and decision making

i) The Charity operates from its premises at Willow Lodge in Milton, Cambridge. The Director of Education and Finance Director oversee individuals with responsibility for the RBAir, RB-Worthing, RBET-Norfolk and RBET-Aylesbury provisions, development and fundraising, marketing and communications and finance.
ii) Day-to-day decisions are made by the Director of Education and Finance Director, who will refer to the Chair of Trustees, the President or another trustee for advice or guidance if necessary.
iii) The Board of Trustees meets formally approximately every six weeks, when they receive and discuss written reports from the Director of Education and Finance Director.
iv) Major policy and project proposals are brought to the attention of the trustees by the Director of Education and Finance Director, discussed, and decisions made are minuted and subsequently implemented. There is a schedule of matters reserved for the board.
v) At each meeting, the Chair asks the trustees to record any potential conflict of interest.

Pay policy

A set of pay bands has been established which define a pay range for each group of staff, taking into account level of responsibility, qualifications and experience. Key management remuneration on appointment and any subsequent changes are authorised by the trustees. An appropriate local set of pay bands has been implemented at other locations. Performance reviews take place for all staff. Key management remuneration details are included in note 10.

Fundraising standards information CA 162A

Red Balloon Educational Trust (RBET) raises some funds from the public.
I. RBET undertakes fundraising through our internal resources and we do not commission a professional fundraiser/commercial participator for these;
II. RBET is not subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or voluntary standard for fundraising in respect of activities on behalf of the charity;
III. RBET monitors fundraising activities via the board reports and via fortnightly meetings;
IV. RBET received no complaints during the year about activities for the purpose of fundraising;
V. RBET has adopted principles of GDPR legislation and also has safeguarding policies to protect the data of vulnerable people and other members of the public from:

A. Unreasonable intrusion on a person's privacy;
B. Unreasonable persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity;
C. Placing undue pressure on a person to give money or other property.

Structure, governance and management

Compliance with the Code of Fundraising Practice

The Charity is registered with the Fundraising Regulator to demonstrate its commitment to transparent charity management and adhering to the Code of Fundraising Practice. Supporters have the right to know that the Charity can be trusted to be open and honest and that they will be treated with care and respect. The Charity's fundraising promise is published on its website which explains what supporters can expect from it and what to do if they have any concerns.

The data protection statement online has been expanded so supporters can see how the Charity manages and uses their data within the General Data Protection Regulations. They are invited to change the way the Charity communicates with them at any time. Donorfy Customer Relationship Management system is used to ensure that its donor data is held appropriately and securely. This forms an integral part of achieving readiness for growth.

The Charity's fundraising activities continue to be largely focused on approaches to grant-making bodies as well as high net-worth individuals, but it has been developing its stewardship of individual donors, to encourage regular giving and community fundraising.

Public benefit

The Trustees have had regard to the Charity Commission guidance on Public Benefit. Red Balloon Learner Centres provide an 'intensive care' full-time education, mainly for children (11 -18) who have been so seriously bullied or traumatised that they exclude themselves from school. There is no other purpose-made scheme to help this group of children recover and to restore them to normal life. They are provided with a safe environment with clear boundaries for behaviour and a bespoke full-time academic, pastoral and therapeutic programme.

According to research carried out by the National Centre for Social Research in 2011 (Estimating the Prevalence of Young People Absent from School because of Bullying), of the approximately 3.1 million 11 to 15 year olds in England, about five in one thousand, or 16,500 children, have been bullied to the point that they have left the mainstream educational system.

Experience in Red Balloon's Learner Centres and at RBAir causes us to believe that there is a need for much wider access in the UK to provision of the kind that Red Balloon offers. Red Balloon improves the skills and life opportunities of a group of socially isolated, anxious and ignored children. It contributes to stronger communities by identifying and addressing the problem of seriously bullied and traumatised children with the help of the community, and for the benefit of the community.

Structure, governance and management

Trustees' responsibilities

The Trustees (who are also Directors of Red Balloon Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP; make judgments and accounting estimates that are reasonable and prudent; prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

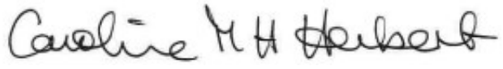
Disclosure of information to the auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors In connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditor

The auditors, Price Bailey LLP, have indicated their willingness to continue in office. The designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees. In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 29 May 2025 and signed on their behalf by:



Caroline Herbert

Administrative details of the charity, its trustees and advisors

Charity registration number	1109606
Company registration number	05385341
Trustees and Directors	Dr Carrie M H Herbert, Chair (from 21 August 2023) & President Revd Prof Michael J Reiss Ms Ruth Loshak (appointed 22 August 2023) Ms Jennifer R Raine (resigned 11 November 2024) Mrs Janet Scotcher (appointed 30 April 2024, resigned 11 November 2024) Mr Nicholas H P Munday (resigned 22 July 2024) Ms Elizabeth A Laybourn (resigned 23 July 2024) Mr Ralph Burditt (appointed 30 April 2025)
Executive Officer	Director of Education: Mr Robert Watson (until 7 July 2024) Executive Head: Mr Jason Lewis (appointed 9 December 2024, left 7 May 2025)
Company Secretary	Dr Carrie M H Herbert
Principal/Registered office	Willow Lodge 37 High Street Milton Cambridge CB24 6DF
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

Auditor's report and financial statements for the year ended 31 August 2024



Independent Auditor's Report to the Members of Red Balloon Educational Trust

Opinion

We have audited the financial statements of Red Balloon Learner Centre (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024, incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ·have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Members of Red Balloon Educational Trust

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and sufficient accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Independent Auditor's Report to the Members of Red Balloon Educational Trust

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 34, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of no-compliance with laws ad regulations. We design procedures in line with our responsibilities outlined above, to detect material misstatement in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and how it operates and considered the risk of the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. This included employment law, financial reporting and heath & safety.

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness,
- We reviewed accounting policies for evidence of management bias and ensured that the accounting policies were correctly applied to the financial statements.
- We reviewed minutes of Trustee Board meetings, any correspondence with the Charity Commission and reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.
- We agreed the financial statement disclosures to underlying supporting documentation, made enquiries of management and officers of the charitable company regarding laws and regulations applicable to the organisation and discussed whether there had been any known breaches of laws and regulations in order to consider any possible further considerations or impact upon the Charity.
- We reviewed the risk management processes and procedures including a review of the Board assurance reporting.

Independent Auditor's Report to the Members of Red Balloon Educational Trust

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Shaun Jordan ACA *(Senior Statutory Auditor)*

for and on behalf of
PRICE BAILEY LLP
Chartered Accountants
Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 29 May 2025

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Restricted £	Unrestricted £	2024 Total £	2023 Total £
INCOME					
Donations and grants	2	244,252	269,784	514,036	429,166
Charitable activities	3	-	2,684,447	2,684,447	2,389,899
Other trading activities	4	-	2,866	2,866	2,581
Investment income	5	-	126,794	126,794	82,518
Total income		**244,252**	**3,083,891**	**3,328,143**	**2,904,164**
EXPENDITURE					
Costs of raising funds	6	(27,988)	(55,934)	(83,922)	(76,186)
Charitable activities	6	(96,331)	(2,987,214)	(3,083,545)	(2,545,133)
Total expenditure		**(124,319)**	**(3,043,148)**	**(3,167,467)**	**(2,621,319)**
Net income in the year and net movement in funds before gains and losses on investments		**119,933**	**40,743**	**160,676**	**282,845**
Net losses on investments		-	-	-	-
Net income in the year		**119,933**	**40,743**	**160,676**	**282,845**
Transfer between funds		-	-	-	-
Net movement in funds		**119,933**	**40,743**	**160,676**	**282,845**
Reconciliation of funds:					
Total funds brought forward	22b	217,582	2,808,710	3,026,292	2,743,447
Total funds carried forward	22a	**337,515**	**2,849,453**	**3,186,968**	**3,026,292**

All amounts relate to continuing activities of the charitable company.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 45 to 64.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
BALANCE SHEET
AS AT 31 AUGUST 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Intangible fixed assets	13	-	-
Tangible fixed assets	14	1,780,554	1,724,119
Programme related investments	15	1,272,141	1,272,141
TOTAL FIXED ASSETS		**3,052,695**	**2,996,260**
CURRENT ASSETS			
Debtors: amounts falling due within one year	16	351,331	109,023
Cash at bank and in hand		1,777,349	1,597,885
TOTAL CURRENT ASSETS		**2,128,680**	**1,706,908**
LIABILITIES			
Creditors: amounts falling due within one year	17	(624,155)	(263,910)
NET CURRENT ASSETS		**1,504,525**	**1,442,998**
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,557,220**	**4,439,258**
Creditors: amounts falling due after more than one year	18	(1,350,252)	(1,392,966)
Provisions for liabilities	19	(20,000)	(20,000)
TOTAL NET ASSETS		**3,186,968**	**3,026,292**
FUNDS OF THE CHARITY			
Unrestricted funds:			
-General funds	22a	1,234,762	1,238,346
-Designated funds	22a	1,671,428	1,570,364
Restricted funds	22a	280,778	217,582
TOTAL FUNDS		**3,186,968**	**3,026,292**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 45 to 64 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 29 May 2025 and signed on their behalf by:

Caroline H H Herbert
Caroline Herbert - Trustee

M J Reiss - Trustee

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
STATEMENT OF CASH FLOWS
AS AT 31 AUGUST 2024

	Notes	2024	2023
		£	£
Cash Flows from Operating Activities			
Net cash provided by operating activities	26	271,910	264,552
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(144,790)	(96,785)
Proceeds from sales of property, plant and equipment		-	3,419
Proceeds from sale of programme related investment		-	700,000
Income in relation to investments		96,006	82,000
Net cash provided by / (used in) Investing Activities		**(48,784)**	**688,634**
Cash Flows from Financing Activities			
Repayments of borrowing		(43,662)	(465,892)
Net cash used in Financing Activities		**(43,662)**	**(465,892)**
Change in cash and cash equivalents in the reporting period		**179,464**	**487,204**
Cash and cash equivalents at the beginning of the reporting period	27	1,597,885	1,110,681
Cash and cash equivalents at the end of the reporting period	27	**1,777,349**	**1,597,885**

The attached notes on pages 45 to 64 form part of these financial statements.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), Charities SORP (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis and are presented in sterling, which is the functional currency of the Charity.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Charity is exempt from the requirement to prepare consolidated financial statements as its subsidiary was non trading during the year and therefore its inclusion is not considered to be material for the purposes of giving a true and fair view.

b) Going Concern

The Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

c) Legal status of the Charity

The Charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page x. The number of members during the year was 7 (2023: 5). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity (2023: £10 per member).

d) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

e) Income

All income is included in the Statement of Financial Activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities relates to school fee income which is invoiced in advance at the start of each term. Fee income is recognised on a monthly basis as teaching occurs and fees received for future months are deferred as shown in note 17.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Donations, grants and gifts are recognised when receivable. In the event that a grant is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates and recognised in income in the year. Any Gift Aid amounts not received by the year end are accounted for in income and accrued income in debtors.

For legacies, entitlement is taken on a case-by-case basis as the earlier of the date on which:

- the Charity is aware that probate has been granted; and
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Charity. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

f) Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs have been allocated between governance costs and other support costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Governance and support costs have been apportioned between all activities based on staff time and use of the resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

g) Intangible fixed assets and amortisation

Intangible fixed assets are valued at historical cost. Amortisation is provided on all intangible fixed assets on a straight-line basis and are written off over their useful economic life. Amortisation rates are as follows:

Website	25% straight line

Assets are assessed for impairment at each balance sheet date. Any impairment value is recognised immediately in the statement of financial activities.

h) Tangible fixed assets and depreciation

Tangible fixed assets are valued at historical cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual values, over their expected useful lives as follows:

Office equipment	33% straight line
Fixtures & fittings	20% straight line
Computer equipment	33% straight line
Leasehold improvements	10% straight line or over the lease term if less than 10 years
Buildings	2% straight line
Freehold land	Not depreciated

Assets are reviewed for any indications of impairment at each balance sheet date.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due. Concessionary loans received at below market rates are received in order to further the charitable objects of the organisation and are therefore included at the amount received and are not discounted.

Where the Charity has a legal obligation, a dilapidations provision is created. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease.

l) Financial instruments

The Charity mostly has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at cost which is their fair value. The Charity had also held some quoted investments with Investec which were revalued to market value at each balance sheet date; gains or losses were taken to the income statement as detailed in note 16. When the investments are expected to be held for a period greater than 12 months, they are classified in the balance sheet under Fixed Assets. Included within creditors are property mortgages which are valued on the basis of cost using the effective interest rate method. Further details are in note 18.

m) Pensions

Employees of the Charity are entitled to join a defined contribution pension scheme, the assets of which are administered by NEST. The charity contribution is restricted to the contributions disclosed in note 11.

n) Operating leases

Operating leases are recognised over the period of which the lease falls due on a straight-line basis.

o) Taxation

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

p) Programme related investments

Programme related investments consist of properties rented to Red Balloon Centres. They are held at cost less any provision for impairment.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

q) Significant Estimates and Judgements

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

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. These include depreciation, debtor recoverability and bad debts. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Donations and grants

	2024 £	2023 £
Donations	119,865	145,148
Donation from subsidiary - Red Balloon of the Air	30,877	-
Grants	363,294	284,018
	514,036	429,166

Included within donations received are restricted funds of £41,029 (2023: £46,529) and unrestricted funds of £78,836 (2023: £98,619). The donation from subsidiary of £30,877 (2023: £Nil) was unrestricted. Included within grants received are restricted funds of £203,223 (2023: £168,018) and unrestricted funds of £160,071 (2023: £116,000).

3 Income from Charitable Activities

	2024 £	2023 £
Levies and recharges to Red Balloon Centres	32,356	45,084
Teaching and support of bullied children	2,652,091	2,344,815
	2,684,447	2,389,899

All income from charitable activities was attributable to unrestricted funds in both the current and prior year.

4 Other trading activities

	2024 £	2023 £
Fundraising events	2,866	2,581

All income included above related to unrestricted income in both current and prior year.

5 Investment income

	2024 £	2023 £
Rents received	66,000	60,075
Deposit account interest	60,794	22,443
	126,794	82,518

All income included within investment income relates to unrestricted income in both the current and prior year.

6 Analysis of expenditure by activity – current year

	Direct costs £	Grant funding £ (note 9)	Support costs £ (note 7)	2024 costs £
Costs of raising funds	55,934	-	27,988	83,922
Charitable activities:				
Advance the education of students at Red Balloons	261,176	34,042	161,086	456,304
Teaching and support of bullied children	2,466,471	-	160,770	2,627,241
	2,727,647	34,042	321,856	3,083,545
	2,783,581	34,042	349,844	3,167,467

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

Analysis of expenditure by activity – prior year

Direct	Direct costs £	Grant funding £ (note 9)	Support costs £ (note 7)	2023 costs £
Costs of raising funds	49,717	-	26,469	76,186
Charitable activities:				
Advance the education of students at Red Balloons	238,801	25,596	148,906	413,303
Teaching and support of bullied children	1,976,340	-	155,490	2,131,830
	2,215,141	25,596	304,396	2,545,133
	2,264,858	25,596	330,865	2,621,319

Expenditure in 2024 related to restricted funds was £124,319 (2023: £179,525) and unrestricted funds was £3,043,148 (2023: £2,441,794).

7 Analysis of support costs

	2024 £	2023 £
Finance and professional	125,160	100,505
Bank charges	191	360
Communication	23,474	21,965
Insurance	28,434	34,291
Rent, rates and mortgage interest	21,915	21,994
Repairs and maintenance	20,378	30,192
General office expenses	9,814	10,101
Other staff costs	91,946	90,630
Governance costs (note 8)	28,532	20,827
	349,844	330,865

8 Analysis of governance costs

	2024 £	2023 £
Auditors' fees		
- for audit services	17,400	16,200
- for non-audit services	11,132	4,627
	28,532	20,827

All expenditure on governance costs is spent from unrestricted funds in 2024 and 2023.

9 Grants to individuals

	Number	Total 2024 £	Number	Total 2023 £
Bursaries	5	34,042	5	25,596

The average bursary per student in 2024 was £6,808 (2023: £5,119).

10 Analysis of staff costs and key management personnel

	2024 £	2023 £
Wages and salaries	2,171,016	1,834,430
Social security costs	187,094	154,055
Pension	45,667	37,987
	2,403,777	2,026,472

The average monthly head count during the year was as follows:	2024 Number	2023 Number
Charitable activities	93	86

The number of higher paid employees was as follows:	2024 Number	2023 Number
In the band £60,000 - £70,000	1	1

The employers pension contributions in relation to the above higher paid employees was £1,000 (2023: £1,321).

The charity considers its key management personnel to comprise of 7 people (4 people in the prior year). Total aggregate remuneration of key management personnel was £334,195 (2023: £257,102).

Total termination payments made were £7,811 (2023: £1,391).

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind. Expenses paid to the trustees in the year totalled £Nil (2023: £234). In the prior year expenses were in relation to one trustee being reimbursed for their travel expenses.

11 Pension costs

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £45,667 (2023: £37,987). Pension contributions of £10,718 (2023: £Nil) were payable to the fund at the balance sheet date.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

12 Net income

	2024 £	2023 £
Net income is stated after charging:		
Amortisation of intangible assets owned by the charity	-	5,167
Depreciation of charitable assets owned by the charity	88,587	49,994
Loss on sale of fixed assets	-	82
Operating lease payments: land and buildings	24,904	28,521
Operating lease payments: other	5,962	1,315
Auditors remuneration:		
- for audit services	17,400	16,200
- for non-audit services	2,580	4,627

13 Intangible fixed assets

	Website £
Cost:	
At 1 September 2023	20,670
Additions	-
At 31 August 2024	20,670
Amortisation:	
At 1 September 2023	20,670
Charge for the year	-
At 31 August 2024	20,670
Net book value:	
At 31 August 2023	-
At 31 August 2024	-

14 Tangible fixed assets

	Land and buildings £	Leasehold improvements £	Fixtures & fittings, office and computer equipment £	Total £
Cost:				
At 1 September 2023	1,612,961	50,043	123,241	1,786,245
Additions	-	876	145,224	146,100
Disposals	-	-	(1,079)	(1,079)
At 31 August 2024	1,612,961	50,919	267,386	1,931,266
Depreciation:				
At 1 September 2023	27,080	7,182	27,864	62,126
Charge for the year	22,942	5,353	60,292	88,587
Eliminated on disposals	-	-	(1,079)	(1,079)
At 31 August 2024	50,022	12,535	87,077	149,634
Net book value:				
At 31 August 2023	1,585,881	42,861	95,377	1,724,119
At 31 August 2024	1,562,939	38,385	179,230	1,780,554

Outstanding mortgages of £887,557 (2023: £908,053) in relation to the properties are secured on the properties included in land and buildings of the Charity.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

15 Programme Related Investments

Properties rented to other Red Balloon Centres:

	£
Cost or valuation:	
At 31 August 2023	1,272,141
At 31 August 2024	1,272,141
Net book value:	
At 31 August 2023	1,272,141
At 31 August 2024	1,272,141

Programme related investments represented by:

	2024 £	2023 £
220-222 Kings Road, Reading	545,762	545,762
57 Warkworth Terrace, Cambridge	726,379	726,379
Total	1,272,141	1,272,141

Outstanding mortgages of £494,909 (2023: £517,843) in the Charity in relation to the properties are secured on the properties listed above.

16 Debtors: amounts falling due within one year

	2024 £	2023 £
Trade debtors	263,864	9,330
Amounts owed by other Red Balloon Centres	22,402	15,082
Prepayments and accrued income	64,970	84,309
Other debtors	95	302
	351,331	109,023

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	33,628	36,491
Amounts owed to group undertakings	-	24,023
Amounts owed to other Red Balloon centres	10,718	1,417
Social security and other taxes	41,606	39,836
Other creditors and accruals	57,359	50,630
Deferred income	437,898	67,851
Mortgages due within one year	42,946	43,662
	624,155	263,910

Deferred income

	2024 £	2023 £
Deferred income at 1 September	67,851	209,404
Resources deferred during the year	437,898	67,851
Amounts released from previous years	(67,851)	(209,404)
Deferred income at 31 August	437,898	67,851

Deferred income relates to school autumn term fees, invoiced in advance of £434,898 (2023: £64,851) and rent invoiced a month in advance of £3,000 (2023: £3,000), both being unrestricted income.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

18 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Mortgages	1,339,520	1,382,234
Amounts owed to other Red Balloon centres	10,732	10,732
	1,350,252	1,392,966

Creditors: amounts falling due after more than one year include amounts not wholly repayable within 5 years as follows:

	2024 £	2023 £
Due within 2-5 years	282,343	312,917
Due after more than 5 years	1,067,909	1,080,049
	1,350,252	1,392,966

Mortgages are secured on the properties concerned. In addition, there is a debenture in relation to the Milton property mortgage, which contains a floating charge and a negative pledge.

The mortgages for the Cambridge and Norwich properties are with The Cambridge Building Society, the Reading property with Saffron Building Society and the Milton property with CAF Bank. The mortgages are interest only, except for the Milton property and 53% (2023: 58%) of the balance outstanding at the year end on the Cambridge property.

The rates at the year end were as follows:	2024 %	2023 %
76 Earlham Road, Norwich	8.64	8.64
220-222 Kings Road, Reading	8.79	8.79
57 Warkworth Terrace, Cambridge	8.64	8.64
37 High Street, Milton	4.23	4.23

The mortgage interest on the Milton property is fixed for the first five years (commencement 6 April 2022). All other mortgages are on variable interest rates.

19 Provisions for liabilities

	Dilapidations 2024 £	2023 £
At 1 September	20,000	-
Added in the current period	-	20,000
At 31 August	20,000	20,000

20 Capital commitments

As at 31 August 2024 the Charity had no capital commitments to disclose (2023: £15,768).

21 Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

Land and Buildings

	2024 £	2023 £
Within one year	29,197	24,904
Within two to five years	112,309	123,506
After more than five years	135,912	153,912
	277,418	302,322

Other

	2024 £	2023 £
Within one year	5,962	-
Within two to five years	4,655	-
	10,617	-

Included within other operating lease commitments are photocopier leases in the name of the charity.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

22a Funds analysis – current year

	Balance at 1/9/2023 £	Income £	Expenditure £	Transfers £ (note 24c)	Balance at 31/8/2024 £
General Funds	1,238,346	3,083,891	(3,043,148)	(44,327)	1,234,762
Designated Funds:					
- Intangible & tangible fixed assets	816,066	-	-	78,130	894,196
- Programme related investments	754,298	-	-	22,934	777,232
Total unrestricted funds					
Restricted funds					
Bursaries	59,826	197	(34,042)	-	25,981
Funding for staff training	28,128	-	(934)	-	27,194
Funding for expansion of the Red Balloon provision	7,714	81,707	(2,886)		86,535
Other restricted donations for IT and other equipment, teachers, interns etc	119,497	137,348	(86,140)	(56,737)	113,968
37 High Street, Milton refurbishment	2,417	25,000	(317)	-	27,100
Total restricted funds	217,582	244,252	(124,319)	(56,737)	280,778
Total funds	3,026,292	3,328,143	(3,167,467)	-	3,186,968

22b Funds analysis – prior year

	Balance at 01/09/2022 £	Income £	Expenditure £	Transfers £	Balance at 31/8/2023 £
General Funds	754,715	2,689,500	(2,441,677)	235,808	1,238,346
Designated Funds:					
- Intangible & tangible fixed assets	390,589	-	-	425,477	816,066
- Programme related investments	1,375,760	-	-	(621,462)	754,298
Total unrestricted funds	2,521,064	2,689,500	(2,441,677)	39,823	2,808,710
Restricted funds					
Bursaries	85,412	10	(25,596)	-	59,826
Funding for staff training	30,111	-	(1,983)	-	28,128
Funding to further develop and expand the Red Balloon provision	17,913	23,265	(33,464)	-	7,714
Other restricted donations for IT and other equipment, teachers, interns etc	35,447	191,272	(96,726)	(10,496)	119,497
37 High Street, Milton property & refurbishment	53,500	-	(21,756)	(29,327)	2,417
Total restricted funds	222,383	214,547	(179,525)	(39,823)	217,582
Total funds	2,743,447	2,904,047	(2,621,202)	-	3,026,292

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

22c Funds analysis – fund types

During the year, £56,737 (2023: £39,823) was transferred from restricted to unrestricted funds in relation to capital expenditure as the restrictions were satisfied upon purchase of the assets. This included £45,740 for computer equipment, and £10,997 for equipping the new Norfolk Centre.

Restricted Funds

- Bursaries fund – Grants and donations received to enable the charity to directly support individual students at Red Balloon of the Air and Red Balloon Learner Centres.
- Staff training and development fund – Funds awarded for general staff development and for the staff conference.
- Red Balloon Development and Expansion fund – funds awarded to help with the growth and development of Red Balloon of the Air and the Red Balloon Learner Centres, including grants totalling £26,706 (2023: £6,188) and £10,000 (2023: £Nil) specifically for the establishment of new Centres in Aylesbury and Chelmsford respectively, as well as £45,000 (2023: £Nil) for new centre project management.
- Other restricted donations fund – Individual grants and donations for specific resources. These have included a significant contribution towards the equipping of the Norfolk centre, as well as funding teaching, therapist and management posts across the organisation.
- 37 High Street, Milton property & refurbishment – A grant of £25,000 received towards the development of the garage into a student therapy space.

Designated Funds used for the purposes of fixed assets

- These represent the net book value of intangible fixed assets, tangible fixed assets and of programme related investments at the year end, after deducting outstanding mortgages due on the properties.

23a Analysis of net assets by funds – current year

	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	-	-	-
Tangible fixed assets	-	1,780,554	1,780,554
Programme related investments	-	1,272,141	1,272,141
Current assets	286,280	1,842,400	2,128,680
Creditors due within one year	-	(624,155)	(624,155)
Creditors due in more than one year	-	(1,350,252)	(1,350,252)
Provisions for liabilities	-	(20,000)	(20,000)
	286,280	2,900,688	3,186,968

23b Analysis of net assets by funds – prior year

	Restricted funds	Unrestricted funds	Total funds
Charity	**£**	**£**	**£**
Intangible fixed assets	-	-	-
Tangible fixed assets	-	1,724,119	1,724,119
Programme related investments	-	1,272,141	1,272,141
Current assets	217,582	1,489,326	1,706,908
Creditors due within one year	-	(263,910)	(263,910)
Creditors due in more than one year	-	(1,392,966)	(1,392,966)
Provisions for liabilities	-	(20,000)	(20,000)
	217,582	2,808,710	3,026,292

24 Events after the balance sheet date

Post year end, the Charity have listed 57 Warkworth Terrace, Cambridge, CB11EE on the property market.

25 Related party transactions

Analysis of Red Balloon related parties – current year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon Norwich	22,402	-	44,197	-
Red Balloon Reading	-	-	30,671	-
Red Balloon Cambridge	-	10,732	49,840	-
Red Balloon NW London	-	-	28,184	-
	22,402	10,732	152,892	-

Analysis of Red Balloon related parties – prior year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon of the Air	-	24,023	-	10,349
Red Balloon Norwich	15,082	-	61,336	-
Red Balloon Reading	-	39	41,273	-
Red Balloon Cambridge	-	12,071	59,340	-
Red Balloon NW London	-	40	93,666	-
	15,082	36,173	255,615	10,349

Red Balloon of the Air was a fully owned subsidiary for the full year (2023: full year). On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, were transferred to its parent company, Red Balloon Educational Trust except for the Danbury property lease which was transferred during the 2022-23 financial year. As a result, Red Balloon of the Air is now dormant with a final donation of £30,877 (2023: £Nil) being transferred to the parent charity during the current financial year. There was no balance owed to Red Balloon of the Air at the year-end (2023: £24,023).

The property at 13 Kenton Road, Harrow, included as programme related investments under current assets in the prior year, was sold to Red Balloon Learner Centre NW London for £700,000 in September 2022 (see note 16).

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

25 Related party transactions (continued)

In March 2022, the Charity entered into a lease agreement for a property at 52-54 Windsor Road, Worthing with Solewild Ltd, a company in which Mr. N Munday, who was appointed as a Trustee of Red Balloon Educational Trust on 5 October 2022, is the sole Director. During the year the Charity incurred expenditure totaling £18,999 (2023: £18,690) in relation to Solewild Ltd, which includes rent of £15,839 (2023: £15,795) and £3,161 (2023: £2,895) for other Worthing property-related costs, including insurance. At the year end, a balance of £Nil (2023: £Nil) was owed by the Charity to Solewild Ltd, included in trade creditors and a balance of £Nil (2023: £2,292) was owed by Solewild Ltd to the Charity, included in trade debtors. Prepayments of £4,525 (2023: £3,483) and an accrual for the lease incentive of £21,536 (2023: £15,293) are also recorded at the year end.

During the year, sums totalling £4,300 (2023 - £3,000) in grants and donations were received from organisations linked to Tim Ingles, who has a family connection with one of the trustees of RBET. There were no amounts outstanding from these organisations at the year end (2023 - £nil).

There are no other related party transactions to note.

26 Reconciliation of net expenditure to net cash flow from operating activities

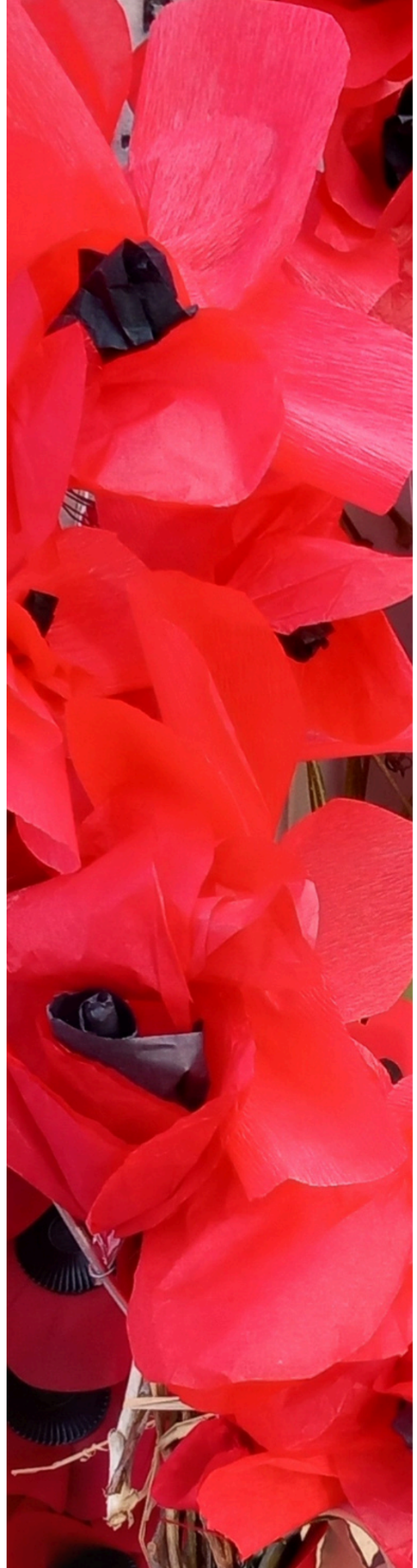
	2024 £	2023 £
Net income for the reporting period (as per the statement of financial activities)	**160,676**	**282,902**
Adjustments for:		
Amortisation charges	-	5,167
Depreciation charges	88,587	49,994
Loss / (Net profit) on disposal of tangible fixed assets	-	82
Impairment of programme related investments		
Losses on investments	-	-
Investment management charges	-	-
Income in relation to investments	(126,794)	(82,000)
Increase in debtors	(242,308)	104,903
Increase in creditors	391,749	(116,496)
Increase in provisions	-	20,000
Net cash provided by operating activities	**271,910**	**264,552**

RED BALLOON EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

27 Analysis of changes in net debt

	Balance at 31/8/23 £	Cash flows £	Other non-cash changes £	Balance at 31/8/2024 £
Cash and cash equivalents:				
Cash	1,597,885	179,464	-	1,777,349
Borrowings:				
Debt due within one year	(43,662)	43,662	(42,946)	(42,946)
Debt due after one year	(1,382,234)	-	42,714	(1,339,520)
	(1,425,896)	43,662	(232)	(1,382,466)
Total	171,989	223,126	(232)	394,883

Borrowings relate to mortgages on the 4 (2023: 4) properties owned by Red Balloon Educational Trust.



Red Balloon Educational Trust
(a company limited by guarantee)

Annual Report and Financial Statements
for the year ended 31 August 2024

Registration No. 5385341
(England and Wales)
Charity No. 1109606

@RedBalloonEdu
@RedBalloonEducation

www.redballoonlearner.org

Sign up to our e-newsletter at
www.redballoonlearner.org/mailinglist

Red Balloon Educational Trust

England & Wales - Charity number 1109606

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Registered with FUNDRAISING REGULATOR



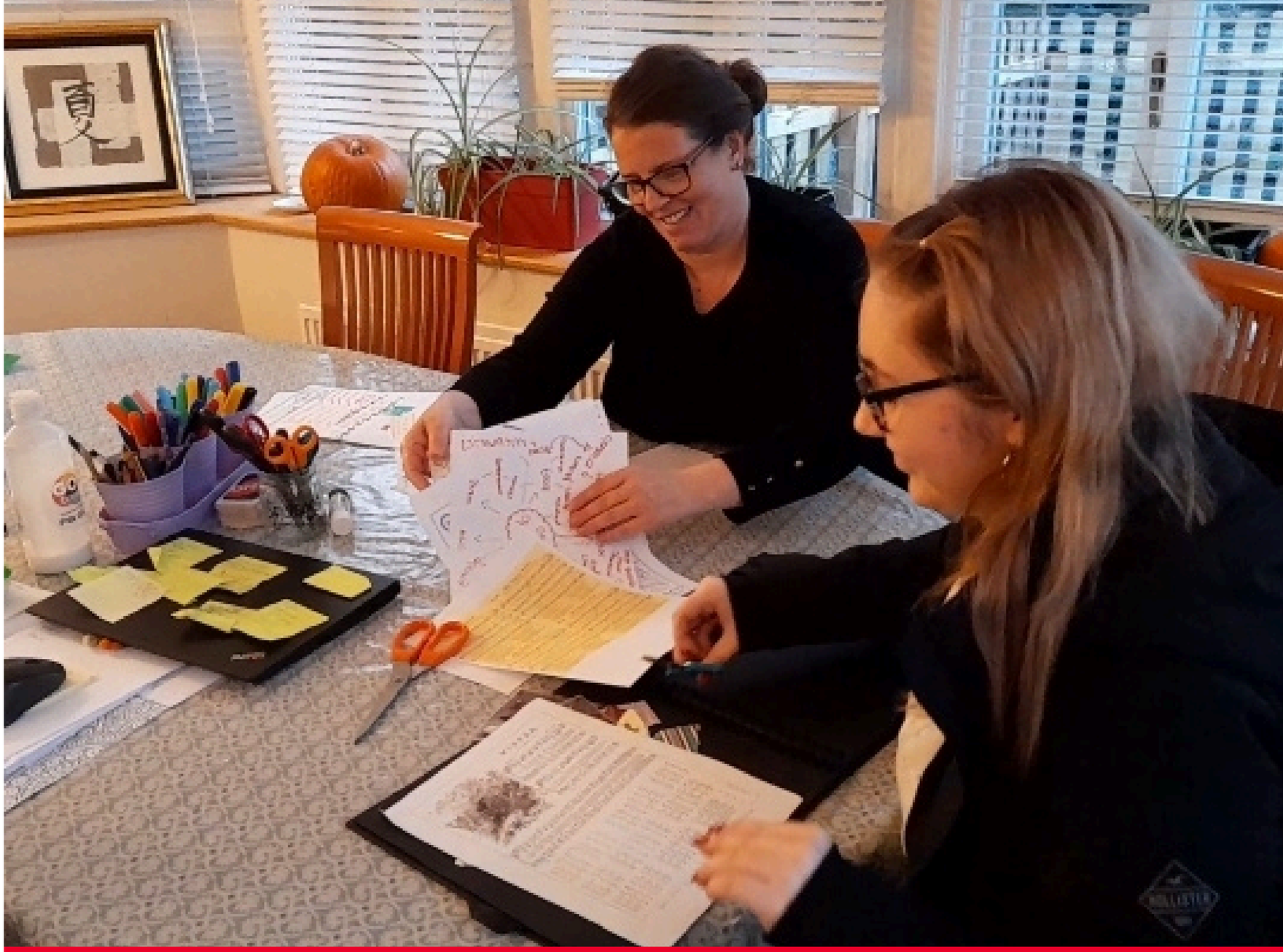
“

Our son has gone from being out of school, unable to attend for two years, to attending every day and, more importantly, enjoying it.

His first year has been such a lovely journey to witness as a family with his many achievements. We just knew he needed to be in the right place and Red Balloon is certainly it!

”

Parent
Red Balloon Worthing



When anxiety, stress, trauma or bullying make it impossible to be in the classroom, some young people are left with no hope. Red Balloon’s support meets students where they are, helping get their education, confidence and happiness back on track, and putting their futures in their hands once more.

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Red Balloon Educational Trust Annual Report 2022/23

Introduction from the Chair

2022–2023 was a year for promoting Red Balloon Educational Trust, with new opportunities fast approaching.

One was the opening of Red Balloon Worthing, whose journey had begun in 2021 when a generous donor, Nick Munday, decided there was a need for a Red Balloon Centre in Worthing. He bought a care home, gathered together willing volunteers and set about its refurbishment. Local businesses supplied paint and carpets, organisations gave us furniture, musical instruments, kitchen equipment and much more, local funds were raised. By the beginning of September 2022 the head teacher and administrator had been appointed, teachers and mentors were being interviewed, and excellent local educators, business people and skilled volunteers had been invited to join the governing body.

It had been anticipated that we would have about three quarters of our maximum intake by the summer. But by Christmas we already had the names and details of twenty children who had been referred and while we accepted them gradually, we were full by Easter. There is now a waiting list, proving once again that, especially post-pandemic, a significant number of children are self - excluding school refusers who need an education. The Red Balloon Recovery Programme focuses on a young person's wellbeing and social and emotional skills, as well as academic studies and exams.

Red Balloon Worthing had a successful first year and we could not be more proud of what has already been achieved in such a short space of time. Encouraged by this and the support we had from the West Sussex local. authority, Nick Munday began making plans to open a second Centre in the area with the help of the local governors and RBET trustees

In September 2022 the property RBET owned in Earlham Road, Norwich became vacant and the trustees decided to refurbish it and open RBET-Norfolk there, for 20 children daily and a further number accessing RBAir for academic studies and therapy, and then attending the Centre for social activities. By March 2023 we began getting ready to open the Centre, called RBET-Norfolk, later that year.

Pushing forward with our mission to reach more children across the country, we also opened a new Red Balloon of the Air student hub in Peterborough, expanding our capacity for face-to-face sessions for local children.

The RBAir Centre at Danbury continues to flourish, but the property we rent is limited in space. We therefore intend to move this provision and establish a fully functioning Centre in nearby Chelmsford for daily students as well as those primarily educated online. The hunt is on for money from organisations, donors and charitable foundations.

In September 2022 RBET and Red Balloon of the Air moved into the newly purchased and refurbished property in Milton. Willow Lodge offers a space for the young people on RBAir to take part in community and social activities, such as arts and crafts, baking, science experiments and celebrations, and confidential rooms for therapy and mentoring, as well as office space for RBET.

The move to Willow Lodge with a smaller mortgage repayment than the rent for Winship House helped maintain financial stability during a time of uncertainty and rising costs, putting us in a strong position to continue to create more places for those in need of Red Balloon.

I take the opportunity to congratulate our students for their achievements over the year. Across RBET in 2022, 48 students, many of whom had been out of school for months if not years, were able to sit exams and obtain qualifications. These young people had previously not been attending lessons and faced many additional mental health barriers to education, learning and to sitting exams. Despite these setbacks, 92% of Red Balloon of the Air students who sat a Maths GCSE received a 4-9 (the old A*- C grades) and all five students who sat for a qualification at Red Balloon Worthing, after only weeks on the RB Recovery Programme, obtained at least one qualification (in some cases more than one).

More broadly, our students have made strides in building their resilience, confidence and independence. Many joined field trips for the first time, went to the theatre, tried a new activity, and made new friends at their Centre. We're pleased that 43 students this year had the skills and qualifications they needed to move on from Red Balloon and return to mainstream school or enter college, further training or employment.

In mid 2022 we were approached by Jane Cole from Aylesbury who wanted to open a small alternative provision for children finding it impossible to attend a mainstream school. With significant support from the William Harding's Charity (WHC), and together with Jane as the Project Coordinator, we are now on our way to setting up a Centre in Aylesbury with the WHC buying and refurbishing a property for us to rent.



Finally, I should also like to pay tribute to the staff and supporters across RBET: the Heads of Centre, teachers, mentors, administrators, central services staff, therapists, housekeepers, and our generous volunteers for all they have done in the last 12 months to support the recovery of bullied and severely anxious, traumatised young people. Without this great team's spirit, skill, energy, focus and patience our young people would not have succeeded so wonderfully in taking the next steps in their journey of life. Thank you all for your sterling work as we strive to help more and more young people in need.

With warm regards,



Carrie Herbert

Founder and Chair of Trustees

About Red Balloon

Red Balloon is a safe haven for young people between the ages of 11 and 18 who are unable to attend mainstream schools due to serious social, emotional, and mental health difficulties, as well as trauma or unmet special educational needs in their previous schools. These students have missed out on months, if not years, of education and the resulting opportunities and experiences. They become increasingly isolated and lose their confidence and self-esteem. Without intervention, they risk falling through the cracks in our education and mental health systems, making their transition into adult life difficult.

With the generous support of our donors and volunteers, Red Balloon offers a comprehensive and holistic educational programme that focuses on social re-engagement, academic education, and wellbeing. Our students receive the care and support they need to recover their confidence and self-esteem. With us, they rediscover the joy of learning. We empower them to move forward in life by returning to mainstream education, entering into further education or training, or beginning employment.

Even with the pandemic still affecting our students, and with almost 100,000 children missing from schools (Centre for Social Justice, Lost but not Forgotten, 2022), Red Balloon's work is more critical than ever. We are working with commissioners and donors to meet this challenge and ensure that education remains accessible to all.

About Red Balloon Educational Trust

Red Balloon Educational Trust operates the Red Balloon of the Air provision (since Oct 21) and Red Balloon Worthing (opened Sept 22), as well as continuing to act as the coordinating and service centre for the other four physical Centres. These four Centres are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement. The Red Balloon of the Air provision also operated through a separately registered charity and company limited by guarantee until Oct 21.

Our year at a glance

Our students achieve amazing things. Of the 50 students who took GCSE exams and other qualifications in the 2022-23 year:

75% pass rate in GCSE exams

96% pass rate in non-GCSE exams

This year, we supported:



117 *children total*

This year, our students achieved:

70% attendance across all Centres

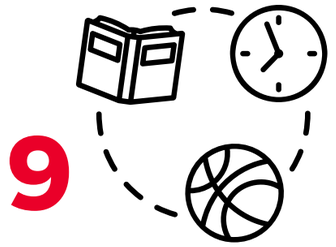
This year, we provided:

25619 *lessons*



1293 *wellbeing sessions*





9 *after school clubs*

Our locations

Our RBET Centre, based at Willow Lodge in Milton, on the outskirts of Cambridge, is home to the blended online and face-to-face provision, Red Balloon of the Air, but covering various different counties, with several face-to-face hubs. RBET's Central Services team is also based at Willow Lodge.

In September 2022 RBET opened a new physical Centre in Worthing, and in April 2022 another RBAir face-to-face hub was opened in Peterborough.

The four other Red Balloon Learner Centres are run by four separately registered charitable companies limited by guarantee, operating under the Red Balloon name by way of an association agreement. They are based in domestic houses in Cambridge, Norwich, NW London and Reading.









RBET

Red Balloon of the Air face-to-face hubs

Red Balloon Educational Trust supports students across the counties highlighted above.

New Centre: Red Balloon Worthing

In the autumn of 2022, we opened Red Balloon Worthing, our first physical Centre under the new Trust umbrella.

Red Balloon Worthing can take up to 20 students who attend on a full-time basis. In addition, up to 25 young people who are on Red Balloon of the Air can participate in the in-person elements of the programme such as community sessions, therapy or mentoring. This means Red Balloon Worthing has increased our capacity by 45 students.

Red Balloon Worthing is the result of an enormous amount of collaboration and generosity from the local community. Thanks to Nick Munday, a local businessman, benefactor, and now Trustee of RBET, we are able to rent our building at a significantly reduced rate, helping to ensure financial stability and longevity for the Centre and the students it will help. We were also able to refurbish the building to create a space that meets the specific needs of our cohort and allows us to use the building in the most effective way.

The refurbishment was completed with help from wonderful volunteers like those at the Carpenter Box Foundation, and we received many donations and gifts of furniture, musical instruments and other supplies that have made the Centre feel cosy, welcoming and a great place to begin learning again.

While we normally estimate a Centre will have 20 students by the end of its second year, Red Balloon Worthing reached this milestone in less than one. It has been wonderful to have such a full and vibrant student community so early on in the Centre's life, but has also been indicative of a growing need we're seeing across the country for a different kind of education.

Over the first year, the staff and students have had some amazing adventures and done a tremendous amount of work. Students have conducted science experiments, cleaned up their local beaches, visited museums and celebrated everything from Anti-Bullying Week to World Book Day to Lunar New Year! Towards the end of the academic year, five students took a courageous step and decided to sit exams. This in itself is a huge achievement, but as the cherry on top, all five students passed each exam they took, receiving at least one, and in some cases more than one, qualification.

We're so thankful to all our supporters, donors and volunteers for helping us to bring this project to fruition, and most of all, we are proud of all the students and staff at Red Balloon Worthing, who have made this an exceptionally strong first year.



Worthing mayor Henna Chowdhury, East Worthing and Shoreham MP Tim Loughton and Rachel Munday, who helped set up the centre, cut the ribbon to officially open Red Balloon Worthing.

Message from the Director of Education

Red Balloon Educational Trust consists of Red Balloon of the Air, Red Balloon Worthing and a central services team that provide the underpinning support and organisational development for the network of associated Learner Centres. During this reporting period the central services team provided strategic, educational, wellbeing, IT, HR, fundraising, communications and administrative support, so that staff in the Centres can focus on what they do best – changing the lives of bullied and vulnerable young people.

This year we continued to focus on growth and expansion. Our focus is always the young people who can benefit from our program, and we aim to assist as many as possible.

2022-23 saw the continuation of our plan to grow our operation to support more young people. The leaseholders of our property in Earlham Road, Norwich (Red Balloon - Norwich, a separate entity) moved to new premises allowing us to develop the building to provide a new facility, RBET - Norfolk, under the direct operational control of Red Balloon Educational Trust. The work to open this new Centre as a registered school will be completed in 2023-24.

Willow Lodge, the base for Red Balloon of the Air and Red Balloon Central Services acquired in 2021-22, has been further developed during this period to provide additional provision for post 16 students. This has been another area of growth for the charity, working with young people who benefit from additional time to build the social skills they need to become resilient, confident and self-sustaining members of the adult community.

Red Balloon Worthing was successfully registered as an independent school with the Department of Education and opened to students in September 2022. Demand exceeded expectations, and by the time this reporting period ended, it was operating at full capacity and was rapidly gaining a local reputation for excellence. This is a testament to the work of Kim Anderson, Head of Centre, and her team. The Centre anticipates its first formal Ofsted inspection in the 2023-24 reporting period and so it is focusing on establishing the systems, practices and processes that will ensure the excellence of its student provision is sustainable over time.

We are thankful for our donors whose generosity has allowed us to plan with increased certainty. Each donation has made a great impact and enabled further mental health support for our students to meet their increased needs. We operate in a climate that has seen the scale of need grow substantially, but access to services become increasingly limited. We are happy to be a part of the solution to this national crisis and are planning to do more. As ever, we wish weren't needed, but as a country, we seem further away from this panacea than at any time in our history.

Warm regards,



Rob Watson
Director of Education



"Student wellbeing is still at the centre of everything we do, and we'll keep helping our youth overcome any obstacles that may come their way."



Our values, ethos and practice

Red Balloon Learner Centres were established for the recovery of severely bullied, traumatised or highly anxious children and young people who are missing education.

The students are typically those who self-excluded and had been out of school for some time, in some cases years. They have lost their confidence in learning, making friends, their trust in adults and the education system. The Recovery Programme that was developed has three components: a robust and negotiated curriculum, an integrated therapy and creative arts programme, and local community activities.

The breakdown of these three areas is based on the learners' needs. Often when they first arrive it is important to create a safe space, so therapy, community activities and the creative arts provide the opportunity to build confidence before academic learning can begin.

Students are given support to:

- **rebuild their self-esteem and grow as individuals**
- **develop resilience and a positive self-image**
- **build the necessary learning skills to succeed when they return to school, move on to further education or enter the world of work.**

Step into any of our Centres and you will feel warmth and an air of supportive companionship, with small groups of students engaged in creative activity and serious learning. Children thrive thanks to the three core components of our programme - wellbeing, community and education - which provide them with holistic support. You can read more about each of our components in later pages.

To maintain our supportive learning communities we ensure that we:

- **treat our students with respect and kindness, using restorative approaches**
- **listen to our students and respond to their concerns**
- **establish communities to which our students and staff feel they belong and to which they contribute**
- **design individualised, negotiated educational and wellbeing plans to enable students to meet their goals**
- **combine academic study with social and emotional recovery programmes**
- **encourage creativity at all levels.**

Wellbeing

Social, emotional and psychological support is critical to our young people's ability to recover, learn and succeed.

> My mental health experience at Red Balloon has been so, so much better than at any of my other schools.



It's vital for every child to have a nurturing environment that promotes their self-confidence, resilience, and emotional and social wellbeing.

Wellbeing support is integral to all our sessions at Red Balloon. Not all young people can attend mainstream education due to reasons including bullying, trauma, mental ill-health, emotional-based school avoidance, and lack of support. Our approach is to prioritise wellbeing for all students. By working closely with our licensed therapists, we help students regain their self-belief and self-worth. We ensure that psychological support is integrated into their daily schedule as a crucial part of their emotional recovery and further success.

At Red Balloon, we also offer a range of wellbeing activities, such as non-competitive sports, yoga, and meditation, to help students recharge and move beyond their comfort zones. For students who struggle with social interaction and trust, we provide animal-assisted therapy, which has been shown to be effective in encouraging students to come out of their shells.

Our mentors play a critical role in supporting students' emotional and social recovery. For students who are too anxious to attend in-person sessions, mentors visit them at home and work with them one-on-one to develop the confidence and skills needed to thrive outside their homes. They act as a role model, mentor, and first point of contact for students and support them in achieving their personal goals. When it's time for students to move on, mentors continue to offer support as they embark on their next venture.

We believe that students' wellbeing is key to their ability to learn, grow, and succeed. Mental health and emotional recovery are priorities for all of our young people.

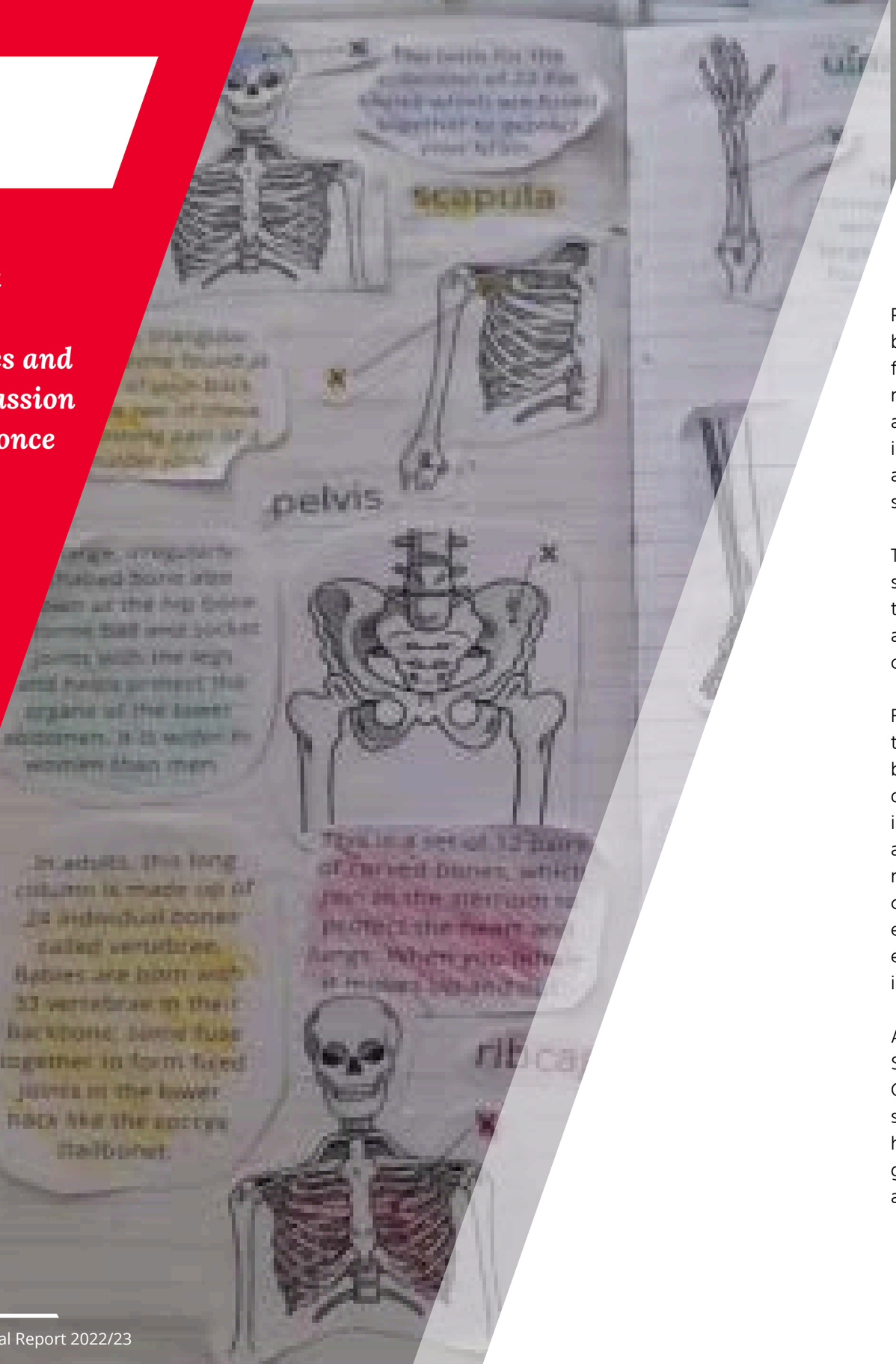
Education

Tailored lessons that match our students interests and abilities and goals to rekindle a passion and love of learning once more.

“

I’m so fortunate to be here at Red Balloon and finally love learning again.

”



Young people learn in all sorts of ways. When we give them the chance to collaborate on a learning plan that helps them reach their goals, includes their interests and meets their learning needs, they get excited to arrive and learn at Red Balloon every day.

Returning to learning after a long period away can be incredibly challenging, both academically and emotionally. It’s therefore vital that we make learning a fun, exciting and shame-free experience. With a negotiated curriculum we meet the student where they are and engage with their interests. We ask them about their goals and how they think they learn best. Together we create an individualised curriculum that prepares them for their next steps, builds their academic and critical thinking skills and helps them to feel confident in their skills, excited to learn and curious about the world around them.

To help ease the transition back into a learning environment students might start off with a few 1:1 sessions with their teacher. This helps them build a trusting relationship, and when they’re feeling a bit more confident, they’ll join a small group of others. This ensures they can work at their own pace, ask lots of questions and collaborate with their peers without getting overwhelmed.

For young people who’ve had very negative experiences with school or for those with additional sensory needs, the physical environment of a school building can be scary and overwhelming. Our Centres and Student Hubs are designed with this in mind, being in the main converted houses, so they immediately have a homely, safe feeling. We have comfy chairs, cosy corners and quiet spaces where students can go if they’re getting overwhelmed and need a break. Instead of uniforms, students get to wear clothes that feel comfortable to learn in and express their own personal style. To make it feel even less like a formal school, young people call staff by their first names and every day, the students and staff gather to enjoy a home cooked lunch, check in with each other and discuss matters for the day.

All students have access to English, Maths, Sciences, Humanities and Personal, Social, Health and Economic Education (PSHEE). Further subjects vary from Centre to Centre, depending heavily on student interest, but some popular subjects have been Psychology, Animal Care and Art. Of course, if a student has a particular area of interest they wish to pursue further or are looking to gain a qualification in, we make every effort to support them in this. Students also have access to extracurricular activities like trips and clubs.

Social re-engagement

Helping students to develop the skills and confidence to comfortably engage with their peers and wider communities.

> This year I'm most proud of the fact that I started going to social groups at the Centre. Everyone in the community has been really welcoming and nice.



We want our young people to build positive and genuine relationships, find a sense of belonging and feel confident engaging with the wider world.

Prior to finding Red Balloon, most of our students were not attending school and some were unable to leave their homes or even their bedrooms. Without the routine of school, many had lost connections with friends, and were missing out on the day-to-day interactions we take for granted. Losing these interactions not only means our students can become lonely and isolated, but means they miss out on the chance to develop vital interpersonal skills, making connecting with others even harder.

Students may need help, for example, with learning how to talk to new people, use the bus independently, make a phone call or use a cash point. Staff help students build their confidence to carry out these everyday interactions and to develop their self-confidence at a pace that ensures their personal growth is sustainable. This may mean carefully coaxing the young person to take a step outside, take a walk and more, until they decide they are ready to move to the next step.

Celebration days and trips planned by students further support their personal and social development. These events encourage them to research, plan, coordinate together and navigate real-world tasks such as public transport, all of which are big achievements as well as being fun opportunities to experience something new.

When students are ready to move on from Red Balloon they may need help with moving into a new environment. This might include assisting them to plan their route to college, explore the campus in advance or identify and meet people who can help them if they need support.

Social re-engagement can be a slow process, but it is incredibly rewarding for students who, for a long time, didn't have friends, didn't feel they could trust the adults around them and had become increasingly fearful of everyday interactions with the wider world. It is wonderful when staff get to send them on to their next adventure and can visibly see the shift in their confidence and willingness to engage with others and take those everyday risks.

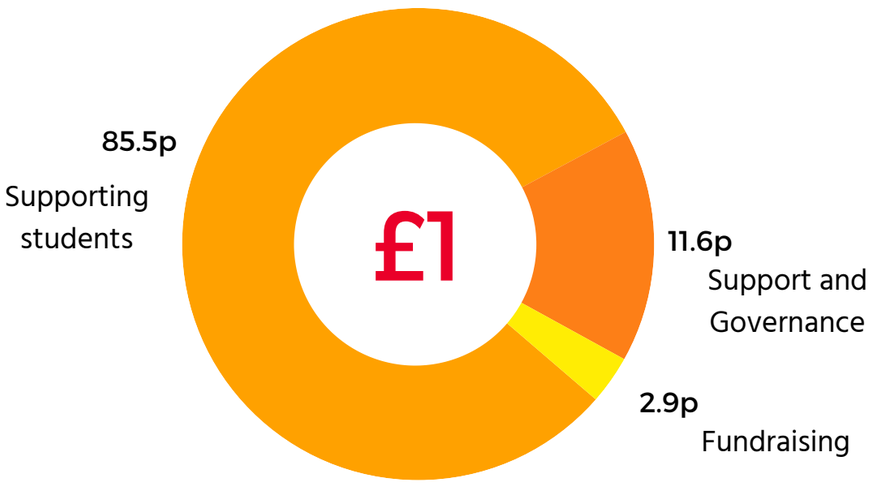
Fundraising: a year of amazing support

We couldn't do what we do without our incredible supporters who have donated money, time, and expertise to keep our Centres running and help us reach more young people in need of our provision. It is thanks to them that our young people are able to turn their lives around.

A very special thanks to our supporters below

BBC Children in Need
Birketts LLP
Cambridge Intelligence
Cambridgeshire Community Foundation and the Marshall Community First Fund
Caprice Wind Orchestra
Carpenter Box Charitable Foundation
Clare King Charitable Trust
David Soanes
Diarmuid Ó Séaghdha
The Foyle Foundation
The Garfield Weston Foundation
Jane Cole
Katriona Scoffin
National Philanthropic Trust and the Eligator and Sansom fund
Network for Social Change Charitable Trust
Nic Humphries
Philip King Charitable Trust
Russel Matthews and Emma Helby
The Stockwell / Cliffe Charitable Trust
Tesco Stronger Starts
The Armourers & Brasiers' Gauntlet Trust
The Clare Foundation
The Ingles Charitable Trust
The New Inn

For every £1 we spent in 2022/23 in the Red Balloon Educational Trust consolidated group, 85.5p went on direct costs supporting students.



We cannot operate effectively without good management and fundraising efforts.



Supporter case study: Ralph Burditt

Local Cambridgeshire resident Ralph Burditt has supported Red Balloon since 2017, when he got involved with a fundraiser to refurbish Red Balloon Cambridge's Art Room. Fundraising throughout the year Ralph and team raised a wonderful £2804.37. Since then he has been a stalwart supporter and an incredible ambassador, raising awareness of Red Balloon and all we do.

Supporter Ralph tells his story, from his first interactions with Red Balloon to his future plans.

I first heard about Red Balloon from a colleague at work. I was looking for a local charity for my team to support and as someone who was bullied at school themselves, the Red Balloon story spoke to me.

We decided to raise some money to help refurbish the Art Room and did an event at work called "Wear Red for Red Balloon" in which we encouraged employees to wear something red to work and make a donation. It went pretty well, and we raised around £300.

Our first event only raised about 1.5% of the total money needed, so we wanted to raise some more! A few of us ran the Greater Cambridge 10k together and raised almost £3,000, which was fantastic!

We've done more Wear Red for Red Balloons since that first, and four cycling events called Red Balloon Rides - which were born out of the need to have a remote event (as the office was empty). The Red Balloon Rides have been really successful and I'm really proud not only of how much we raised, but also that Red Balloon adopted them as an "official" event.

The rides have all been great in their own way, but my favourite was the last one in 2022, when I got the chance to visit all of the Centres and meet some of the wonderful people who make Red Balloon tick. It also included some pretty epic bike rides, including 250km over two days to Worthing.

> "I'd like to find new and different ways to raise money, and to keep promoting Red Balloon so that they can reach more children in need of support."

Red Balloon's work is absolutely essential. What really brought this home to me was when I was fortunate enough to meet some young people that Red Balloon has helped and to hear their stories. Hearing firsthand how Red Balloon has completely changed their lives was thoroughly inspiring. Some of the children which Red Balloon has helped have been completely isolated and at the point of wanting to end their lives. Red Balloon has got them back to feeling positive about themselves, back into education and looking forward to the future. That's pretty great, if you ask me.



Red Balloon of the Air Essex Lead Phil White greets Ralph (left) at the RBAir Student Hub in Danbury on day 27 of his Red Balloon Ride 2022 challenge.

Our plans for the future

Our strategic objectives for the next three years are to:

Improve the way students are supported

- Open more Red Balloon Centres and offer more places at each Centre, using RBAir, to meet the needs of the growing number of severely bullied and highly anxious children and those with trauma-informed backgrounds who are unable and unwilling to attend mainstream school
- Raise the standards at all Red Balloon Centres with regard to our educational, wellbeing, and personal recovery programme. Ensure staff understand and apply RB's Philosophy and Practice and are at the forefront of best practice, offering a first-class support to students
- Provide opportunities for professional development through regular meetings with staff from each of our Centres to exchange best practice, discuss current trends in education and discuss relevant and challenging theories of learning
- Continue to develop secure safeguarding systems, encouraging appropriate training for all staff and streamlining administrative processes and logistical tasks, thereby improving efficiency and reducing the time and costs associated with such work.

Reach more isolated and vulnerable children

To meet the growing need, we shall expand Red Balloon provision so we can reach more bullied, anxious and traumatised children.
This past year we have achieved this goal by:

- opening a new Centre in Worthing, West Sussex.
- expanding Cambridge and NW London Centres - by 20 children each.
- opening a hub in Peterborough.

And we will continue to work towards this aim by:

- opening a further additional Centre in Aylesbury
- planning to expand RBAir Danbury and move it to Chelmsford, and opening a second Centre in West Sussex
- continuing to support an increasing the number of students on Red Balloon of the Air.
- exploring ways to establish hybrid Centres that offer places for 20 children to attend daily and for a further 25 children (who have academic studies and therapy online with RBAir) to have the opportunity to use the Centre in the late afternoons, for social and community activities as well as drama, art, music and science experiments.

Inspire more people to support our work

- We will diversify our funding sources to reflect the challenging fundraising landscape and to finance our growth plans.
- We will continue to develop our donor stewardship so that every one of our supporters has a positive experience, however they choose to support our work.
- We will establish relationships with new charitable trusts and individual donors.
- We will strengthen our national voice and influence regarding children missing from school because of bullying, anxiety and trauma.
- We will raise the attention of local authorities and other educational bodies to the importance of student wellbeing, particularly in regions which we have identified for growth.

Manage our charity as effectively and efficiently as possible

- We will continue to open more Centres under the umbrella of Red Balloon Educational Trust. Red Balloon of the Air and Red Balloon Worthing are part of RBET.
- We will continue to review our procedures to ensure transparency, accountability, responsiveness and compliance with relevant regulations and legislation.
- We will continue to identify and manage major risks to our organisation.
- We will maintain pressure on the Department for Education to accredit online education in line with its commitment in June 2020.
- We will develop, implement and maintain a workforce plan that enables Red Balloon to recruit, motivate, train and retain staff with the skills and competencies required to meet needs now and in the future.
- We will continue to develop and implement a volunteer involvement programme to enrich students' Red Balloon experience.
- We will utilise appropriate existing and new technologies, particularly at RBAir, to enhance the ways that staff support students.



Financial review

Risk assesment

Structure, governance and management

Financial review

Red Balloon Educational Trust (RBET) ('the Charity') operates Red Balloon's blended online and face-to-face provision, Red Balloon of the Air (RBAir Education Activity), since Oct 21, and Red Balloon Worthing (RB-W), which opened in Sept 22. Prior to Oct 21, the RBAir Provision was operated through a separately registered charity and company limited by guarantee, Red Balloon of the Air ('RBAir Company'). In addition, RBET continues to act as the coordinating centre for a number of related Red Balloon Learner Centres in Cambridge, Norwich, North West London (in Harrow) and Reading. These entities are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement.

On 12 October 2021, the operations, assets and liabilities of RBAir Company, except for those in relation to a lease on the Danbury property, were transferred to its parent company, Red Balloon Educational Trust. The group results for 2022-23 and the prior year include RBAir Company, as required by UK accounting standards. During 2020-21, RB-Reading and RB-Cambridge were consolidated for part of the year, until their disposal in May 2021.

Consolidated income increased by £500k (2022: £1,057k decrease) on prior year to £2,904k (2022: £2,404k). Fees and related income increased by £870k (2021: £1,216k decrease) to £2,345k (2022: £1,475k), £449k (2022: £52k decrease) of which was due to 30.5% higher fee income (2022: 3.4% lower fee income) from RBAir Education Activity and the balance of £421k in respect of the new RB-W Centre. Income from donations and grants decreased by £177k (2022: £47k) on prior year to £429k (2022: £606k). Fundraising events, included in other trading activities decreased by £144.5k (2022: £147k increase) to £2.5k (2022: £147k), mostly in relation to a Giving Dinner held in Oct 2021 which had raised £143k.

The significant decrease in income in the prior year can mostly be attributed to RB-Reading and RB-Cambridge's results being included for part of the year in 2020-21.

Consolidated expenditure increased by £453k (2022: £1,294k decrease) on prior year to £2,621k (2022: £2,168k). The large decrease in the prior year was due to £850k in relation to the disposal of RB-Reading and RB-Cambridge and £770k of their expenditure for part of the year having been included in 2020-21. There was £454k increase (2022: £326k), 21% (2022: 18%) in expenditure for RBET and RBAir Education Activity combined, £55k of which related to various set up costs for the new Red Balloon Educational Trust Norfolk (RBET-N) Centre (2022: £69k set up costs for RB-W).

Overall, there was a consolidated surplus of £283k (2022: £228k), of which £283k (2022: £241k) was attributable to the Charity and £Nil (2022: £13k deficit) to RBAir Company.

RBAir Education Activity's fee income increased by £449k in 2022-23 (2022: £52k decrease) to £1,924k (2022: £1,475k) due to increase in fees and the increased proportion of high-needs students in the cohort. £Nil (2022: £148k) of the fees were in RBAir Company and £1,924k (2022: £1,327k) in RBET as all activity is now carried out through RBET. RBAir Education Activity's expenditure increased by £133k (2022: £154k), £166k increase in staff costs but £94k decrease in property costs, due to the 5 months overlap of the Winship House and Willow Lodge properties in the prior year and the Willow Lodge property being more cost effective. At 31 August 2023, RBAir Company held £31k (2022: £31k) of unrestricted reserves and the only transactions going through RBAir Company in 2022-23 were in relation to the Danbury lease, which was recharged in full to RBET, and trivial amounts of bank interest received and bank charges.

RB-W Centre's fee income was £421k (2022: £Nil) and their expenditure was £427k (2022: £69k set up costs).

The Charity's net assets increased by £283k (2022: £607k) to £3,026k (2022: £2,743k) in the year. Its income increased by £262k (2022: £1,786k) to £2,904k (2022: £2,642k). £1,017k increase (2022: £1,327k) in fee income due to the additional fee income from RB-W Centre, increase in RBAir Education Activity fees as well as their entire year fees being generated through the Charity in 2022-23. £366k decrease (2021:£366k increase) in respect of the donation on the transfer of RBAir in the prior year, £171k decrease (2022: £108k increase) from donations and grants income, £Nil (2022: £5k decrease) in relation to the Coronavirus Job Retention Scheme, £145k decrease (2022: £147k increase) in income generated from fundraising events, £43k decrease (2022: £Nil) in investment income due to a reduction in rental income partly offset by interest income and £30k net decrease (2022: £157k) in other income categories, including levies and recharges to other Red Balloons, which are no longer charged to RBAir Company, following the transfer of the RBAir Education Activity to RBET. Costs increased by £596k (2022: £1,398k) to £2,621k (2022: £2,025k) due to higher expenditure in the following areas: £667k in staff costs (2022: £1,112k); £42k (2022: £25k) in education activity costs; £20k (2022: £Nil) dilapidations provision; £33k (2022: £16k lower) in depreciation and amortisation charges and £26k net increase (2022: £51k) in other areas. This was partially offset by lower expenditure of £1k (2022: 4k) in fundraising expenses, £8k (2022: £26k higher) in bursaries awarded; £39k (2022: £76k higher) in premises costs, £97k (2022: £81k higher) in recruitment and professional costs and £47k (2022: £47k higher) in respect of programme related investments impairment. Some of the increase in costs in the current year can be attributed to RBAir Education Activity's costs being included for the entire year (2022: 10.5 months).

At 31 August 2023, the consolidated group's net assets amounted to £3,057k (2022: £2,774k), of which approximately £1,570k (2022: £1,766k) is in fixed assets (net of mortgages).

Investment policy and performance

During 2022-23, surplus funds were held in CAF Bank savings accounts, paying interest at the end of the financial year at approximately 2.5% pa (2022: 0.5% pa). In the prior year, some funds were also held with Investec but during 2021-22, Investec funds were liquidated and transferred in full to the CAF Bank savings accounts. Around 65% of the Investec funds had been held as cash paying 0% pa at the start of the prior year and from April 2022, 0.15% interest. Of the 35% non-cash Investec funds, 10% had been held in fixed interest investments and 25% in UK and international equities. In the first quarter of 2023-24, a COIF Charities Deposit Fund, categorised as a short-term Low Volatility Net Asset Value Money Market Fund, was opened with CCLA. There is no minimum holding period and allows for withdrawals on any business day, without having to pay a penalty. The trustees believe splitting surplus funds between the CAF Bank savings account, currently paying interest at 2.5% pa and the CCLA COIF Charities Deposit Fund, currently paying interest at approximately 5.1% pa, appropriately balances the need for ready access, good security and investment return.

Reserves policy

The trustees aim to keep reserves in line with Charity Commission guidance, and having assessed the various risks to the Charity, believe a policy to maintain a minimum level of free reserves at three to six months of the forecasted future annual operating costs is appropriate. Free reserves are calculated as unrestricted reserves, less fixed assets excluding fixed asset investments, net of mortgages. At 31 August 2023, the Charity held free reserves of £1,238k (2022: £755k), equating to around 4.6 months (2022: 4.3 months) operating costs. The trustees of the Charity will review its reserves policy and continue to closely monitor the reserves position in the forthcoming year.
Monies donated for a specific purpose are held as restricted reserves and separately tracked and accounted for (see financial statements and accompanying notes).

Going concern

The RBAir Education Activity student numbers had remained stable in 2022-23 but student intake and enquiries have been low in 2023-24, although it is forecast that a surplus will still be generated at a departmental level. RB-W Centre, having reached its full capacity in the first year of operations, has been operating steadily and continues to do so. RBET-N, with various further start up costs, has incurred significant expenditure in 2023-24. Grants and donations income has been lower again in 2023-24, compared to the previous couple of years but the focus has been to expand the Red Balloon provision and open further Centres to support more young learners, which will also lead to future sustainability. RBAir Education Activity and the RB-W Centre are both forecast a surplus; however this will not be enough to offset the deficit in other departments in 2023-24. RBET-N, having enrolled its first students in March 2024, an overall surplus in 2024-25 is expected. Following detailed review of the Company's forecasts and projections, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

There were no significant events affecting the Charity's financial position during the year and the Charity's financial position at the end of the reporting period remained stable.

Risk assessment

The trustees have assessed the major risks to which the Charity is exposed, and are satisfied that the appropriate actions, policies and procedures are in place to mitigate, but not totally eliminate, the exposure to the major risks. These are described below:

Major risks, and impact	Mitigating actions and responses
Inadequate service provision – students fail to improve and are unable to return to mainstream education or training.	Taster day for potential students to experience Red Balloon and agree to its operating principles. Individually negotiated curriculum for each student, and proper assessment of their needs. Recruitment of high-quality staff and counsellors who embrace Red Balloon's way of operating. Regular assessment of students' overall progress; student feedback and discussion; adaptation of curriculum and approach as needed. Training for staff to keep up to date with subject material and regulations.
Student safeguarding – students harmed or self-harming.	Management will ensure staff members are conversant and compliant with safeguarding policies, and ensure their training is up-to-date. Appropriate de-escalation procedures are in place in the event of an incident. Health & safety risk assessment policies up-to-date and inspections carried out at appropriate intervals. Central monitoring of compliance at Learner Centres and RBAir.
Changes in government policy or regulation – adverse inspections of Learner Centres, and ability to deliver online provision through RBAir.	Monitoring of changes in regulation, policies and approach with government departments, regulators, commissioners and inspectorates, and adjusting Red Balloon policies, processes and provisions as required. Monitoring the status of RBAir, and managing its online provision in line with all applicable regulations. Engagement with educators on support for bullied, traumatised or highly anxious children.
Financial insolvency – inadequate funding to cover expenditure	Focused fundraising by a dedicated development team; setting fees at an appropriate level; marketing of Red Balloon services to ensure an adequate pipeline of students. Proper budgeting and efficient cost management. Monitoring cash balances with an appropriate level of reserves on hand.
Cyber Security - resulting in a safeguarding risk, data breach (also see below), failure to conform to regulation	Implementation of IT strategy that ensures compliance, ensuring hardware and software purchases can be centrally supervised. Training to ensure compliance with revised IT strategy. Improved multi-factor authentication procedures. Compliance with Government backed "Cyber Essentials" framework as of April 2023.
Loss of IT data and/or access to central systems – resulting in confidential data loss and/or operational disruption including online provision.	Ensuring software and virus protection on devices are up-to-date, as well as restricted physical access. Appropriate password protection maintained and offsite/cloud backup in line with IT policies. Confidential personal information is identified and encrypted. A second and distinct data line maintained for RBAir. Practices reviewed and updated in line with "Cyber Essentials" requirements.

Structure, governance and management

Constitution

The Charity is registered as a charitable company limited by guarantee. The Charity is constituted under a Memorandum of Association dated 21 February 2005 and its charity registration number is 1109606.

Method of appointment or election of trustees

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited to fulfil specific roles. Job roles are clearly described and the appropriate level of skills and experience required is clearly defined. Positions are advertised and formal applications requested. Interviews take place and candidates who most closely match the selection criteria are invited to attend a trustees meeting as an observer. No person or external body other than the trustees is entitled to appoint trustees.

Policies adopted for the induction and training of trustees

i) All new trustees are invited to visit an existing Red Balloon Learner Centre in order to appreciate how it differs from a school and how it operates.
ii) All new trustees meet with the Chair, the Executive Officer, the President and the Financial Controller. The Chair explains the aims of the Charity.
iii) The President describes the history of the founding and development of Red Balloon, defines 'bullying' with examples of the kind of treatment to which students were subjected in mainstream school and which led to them refusing or becoming unable to attend. She expounds the five core principles governing the operation of the individual Learner Centres.
iv) The Financial Controller acquaints them with the financial basis of the Charity.
v) The trustees are given the documents issued by the Charity Commission regarding the duties of trustees ("The Essential Trustee"), together with "Red Balloon - An Introduction".
vi) All trustees are required to provide satisfactory DBS clearing, complete basic online PREVENT and Child Protection training, a Trustee Declaration of Interests and confirm that they are a suitable person to stand as a trustee.
vii) The induction process includes meetings with the main contact staff relevant to their specific job role and other trustees. Final election and confirmation as a trustee are carried out at a full Trustees' meeting.

Organisational structure and decision making

i) The Charity operates from its premises at Willow Lodge in Milton, Cambridge. The Executive Officer oversees individuals with responsibility for the RBAir, RB-Worthing and RBET Norfolk provisions, development and fundraising, marketing and communications, IT, finance and human resources.
ii) Day-to-day decisions are made by the Executive Officer, who will refer to the Chair of Trustees, the President or another trustee for advice or guidance if necessary.
iii) The Board of Trustees meets formally approximately every six weeks, when they receive and discuss written reports from the Executive Officer and Financial Controller.
iv) Major policy and project proposals are brought to the attention of the trustees by the Executive Officer, discussed, and decisions made are minuted and subsequently implemented. There is a schedule of matters reserved for the board.
v) At each meeting, the Chair asks the trustees to record any potential conflict of interest.

Structure, governance and management

Pay policy

A set of pay bands has been established which define a pay range for each group of staff, taking into account level of responsibility, qualifications and experience. Key management remuneration on appointment and any subsequent changes are authorised by the trustees. An appropriate local set of pay bands has been implemented at other locations. Performance reviews take place for all staff. Key management remuneration details are included in note 11.

Fundraising standards information CA 162A

Red Balloon Educational Trust (RBET) raises some funds from the public.

1. RBET undertakes fundraising through our internal resources and we do not commission a professional fund-raiser/commercial participator for these;
2. RBET is not subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or voluntary standard for fundraising in respect of activities on behalf of the charity;
3. RBET monitors fundraising activities via the board reports and via fortnightly meetings;
4. RBET received no complaints during the year about activities for the purpose of fundraising;
5. RBET has adopted principles of GDPR legislation and also has safeguarding policies to protect the data of vulnerable people and other members of the public from:
    a. Unreasonable intrusion on a person's privacy;
    b. Unreasonable persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity;
    c. Placing undue pressure on a person to give money or other property.

Compliance with the Code of Fundraising Practice

The Charity is registered with the Fundraising Regulator to demonstrate its commitment to transparent charity management and adhering to the Code of Fundraising Practice. Supporters have the right to know that the Charity can be trusted to be open and honest and that they will be treated with care and respect. The Charity's fundraising promise is published on its website which explains what supporters can expect from it and what to do if they have any concerns.

The data protection statement online has been expanded so supporters can see how the Charity manages and uses their data within the General Data Protection Regulations. They are invited to change the way the Charity communicates with them at any time. Donorfy Customer Relationship Management system is used to ensure that its donor data is held appropriately and securely. This forms an integral part of achieving readiness for growth.

The Charity's fundraising activities continue to be largely focused on approaches to grant-making bodies as well as high net-worth individuals, but it has been developing its stewardship of individual donors, to encourage regular giving and community fundraising.

Public benefit

The Trustees have had regard to the Charity Commission guidance on Public Benefit. Red Balloon Learner Centres provide an 'intensive care' full-time education, mainly for children (11 -18) who have been so seriously bullied or traumatised that they exclude themselves from school. There is no other purpose-made scheme to help this group of children recover and to restore them to normal life. They are provided with a safe environment with clear boundaries for behaviour and a bespoke full-time academic, pastoral and therapeutic programme.

Structure, governance and management

According to research carried out by the National Centre for Social Research in 2011 (Estimating the Prevalence of Young People Absent from School because of Bullying), of the approximately 3.1 million 11 to 15 year olds in England, about five in one thousand, or 16,500 children, have been bullied to the point that they have left the mainstream educational system.

Experience in Red Balloon's Centres and at RBAir causes us to believe that there is a need for much wider access in the UK to provision of the kind that Red Balloon offers. Red Balloon improves the skills and life opportunities of a group of socially isolated, anxious and ignored children. It contributes to stronger communities by identifying and addressing the problem of seriously bullied and traumatised children with the help of the community, and for the benefit of the community.

Trustees' responsibilities

The Trustees (who are also Directors of Red Balloon Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP; make judgments and accounting estimates that are reasonable and prudent; prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

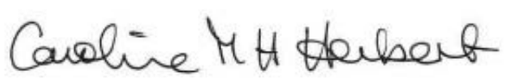
Disclosure of information to the auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors In connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditor

The auditors, Price Bailey LLP, have indicated their willingness to continue in office. The designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees. In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 14 May 2024 and signed on their behalf by:



Caroline Herbert

Administrative details of the charity, its trustees and advisors

Charity registration number	1109606
Company registration number	05385341
Trustees and Directors	Dr Carrie M H Herbert, Chair (from 21 August 2023) & President Ms Beverley A Williams, Chair (resigned 21 August 2023) Revd Prof Michael J Reiss Mr Simon P Mace (resigned 23 November 2022) Ms Jennifer R Raine (resigned 3 February 2023 and reappointed 23 August 2023) Mr Nicholas H P Munday (appointed 5 October 2022) Ms Elizabeth A Laybourn (appointed 23 August 2023) Ms Ruth Loshak (appointed 22 August 2023) Ms Janet Scotcher (appointed 30 April 2024)
Executive Officer	Director of Education: Mr Robert Watson
Company Secretary	Dr Carrie M H Herbert
Principal/Registered office	Willow Lodge 37 High Street Milton Cambridge CB24 6DF
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

Auditor's report and financial statements for the year ended 31 August 2023

Independent Auditor's Report to the Members of Red Balloon Educational Trust

Opinion

We have audited the financial statements of Red Balloon Educational Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at [date], and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Members of Red Balloon Educational Trust

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Independent Auditor's Report to the Members of Red Balloon Educational Trust

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustee's report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and how it operates and considered the risk of the group and the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the group and the parent charitable company this included employment law, financial reporting and health & safety.

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed accounting policies for evidence of management bias and ensured that the accounting policies were correctly applied to the financial statements.
- We reviewed minutes of Trustee Board meetings, any correspondence with the Charity Commission and reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.
- We agreed the financial statement disclosures to underlying supporting documentation, made enquiries of management and officers of the parent charitable company regarding laws and regulations applicable to the organisation and discussed whether there had been any known breaches of laws and regulations in order to consider any possible further considerations or impact upon the charity.
- We reviewed the risk management processes and procedures including a review of the Board assurance reporting.

Independent Auditor's Report to the Members of Red Balloon Educational Trust

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Suzanne Goldsmith FCA *(Senior Statutory Auditor)*

for and on behalf of
PRICE BAILEY LLP, *Statutory Auditor*
Chartered Accountants
Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 29 May 2024

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Restricted £	Unrestricted £	2023 Total £	2022 Total £
INCOME					
Donations and grants	2	214,547	214,619	429,166	606,160
Charitable activities	3	-	2,389,899	2,389,899	1,524,001
Other trading activities	4	-	2,581	2,581	147,450
Investment income	5	-	82,518	82,518	125,303
Other income	6	-	-	-	1,537
Total income		**214,547**	**2,689,617**	**2,904,164**	**2,404,451**
EXPENDITURE					
Costs of raising funds	7	(21,158)	(55,028)	(76,186)	(70,641)
Charitable activities	7	(158,367)	(2,386,709)	(2,545,076)	(2,097,083)
Total expenditure		**(179,525)**	**(2,441,737)**	**(2,621,262)**	**(2,167,724)**
Net income in the year and net movement in funds before gains and losses on investments		**35,022**	**247,880**	**282,902**	**236,727**
Net losses on investments	16	-	-	-	(8,373)
Net income in the year		**35,022**	**247,880**	**282,902**	**228,354**
Transfer between funds	24c	(39,823)	39,823	-	-
Net movement in funds		**(4,801)**	**287,703**	**282,902**	**228,354**
Reconciliation of funds:					
Total funds brought forward	24b	222,383	2,551,869	2,774,252	2,545,898
Total funds carried forward	24a	**217,582**	**2,839,572**	**3,057,154**	**2,774,252**

All amounts relate to continuing activities of the company.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 48 to 69.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible fixed assets	14	-	5,167
Tangible fixed assets	15	1,724,119	980,089
Programme related investments	17	1,272,141	1,972,881
TOTAL FIXED ASSETS		**2,996,260**	**2,958,137**
CURRENT ASSETS			
Debtors: amounts falling due within one year	18	109,023	213,926
Programme related investments	17	-	700,000
Cash at bank and in hand		1,604,724	1,135,061
TOTAL CURRENT ASSETS		**1,713,747**	**2,048,987**
LIABILITIES			
Creditors: amounts falling due within one year	19	(239,887)	(372,666)
NET CURRENT ASSETS		**1,473,860**	**1,676,321**
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,470,120**	**4,634,458**
Creditors: amounts falling due after more than one year	20	(1,392,966)	(1,860,206)
Provisions for liabilities	21	(20,000)	-
TOTAL NET ASSETS		**3,057,154**	**2,774,252**
FUNDS OF THE CHARITY			
Unrestricted funds:			
-General funds	24a	1,269,208	785,520
-Designated funds	24a	1,570,364	1,766,349
Restricted funds	24a	217,582	222,383
TOTAL FUNDS		**3,057,154**	**2,774,252**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 48 to 69 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 14 May 2024 and signed on their behalf by:

Caroline Herbert - Trustee

Jennifer Raine - Trustee

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
CHARITY BALANCE SHEET
AS AT 31 AUGUST 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible fixed assets	14	-	5,167
Tangible fixed assets	15	1,724,119	980,089
Programme related investments	17	1,272,141	1,972,881
TOTAL FIXED ASSETS		**2,996,260**	**2,958,137**
CURRENT ASSETS			
Debtors: amounts falling due within one year	18	109,023	213,521
Programme related investments	17	-	700,000
Cash at bank and in hand		1,597,885	1,110,681
TOTAL CURRENT ASSETS		**1,706,908**	**2,024,202**
LIABILITIES			
Creditors: amounts falling due within one year	19	(263,910)	(378,686)
NET CURRENT ASSETS		**1,442,998**	**1,645,516**
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,439,258**	**4,603,653**
Creditors: amounts falling due after more than one year	20	(1,392,966)	(1,860,206)
Provisions for liabilities	21	(20,000)	-
TOTAL NET ASSETS		**3,026,292**	**2,743,447**
FUNDS OF THE CHARITY			
Unrestricted funds:			
-General funds	24a	1,238,346	754,715
-Designated funds	24a	1,570,364	1,766,349
Restricted funds	24a	217,582	222,383
TOTAL FUNDS		**3,026,292**	**2,743,447**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 48 to 69 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 14 May 2024 and signed on their behalf by:

Caroline H H Herbert

.....

Caroline Herbert - Trustee

Jennifer Raine

.....

Jennifer Raine - Trustee

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Cash Flows from Operating Activities			
Net cash provided by operating activities	29	328,921	293,111
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(96,785)	(981,409)
Proceeds from sales of property, plant and equipment		3,419	2,968
Proceeds from sale of programme related investment		700,000	
Proceeds from sales of fixed asset investments		-	177,114
Net cash provided by / (used in) Investing Activities		**606,634**	**(801,327)**
Cash Flows from Financing Activities			
Borrowing – mortgage on 37 High Street		-	600,000
Repayments of borrowing		(465,892)	(29,655)
Net cash used in Financing Activities		**(465,892)**	**(570,345)**
Change in cash and cash equivalents in the reporting period		**469,663**	**62,129**
Cash and cash equivalents at the beginning of the reporting period	30	1,135,061	1,072,932
Cash and cash equivalents at the end of the reporting period	30	**1,604,724**	**1,135,061**

The attached notes on pages 48 to 69 form part of these financial statements.

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), Charities SORP (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis and are presented in sterling, which is the functional currency of the Charity.

The financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. See further details of subsidiary entities in note 28.

On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to a lease on a property, were transferred to the Charity. The group results for 2022-23 and the prior year include Red Balloon of the Air, as required by UK accounting standards. See note 28.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) Going Concern

The Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

c) Legal status of the Charity

The Charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page 37. The number of members during the year was 5 (2022: 5). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity (2022: £10 per member).

d) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

e) Income

All income is included in the Statement of Financial Activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities relates to school fee income which is invoiced in advance at the start of each term. Fee income is recognised on a monthly basis as teaching occurs and fees received for future months are deferred as shown in note 19.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Donations, grants and gifts are recognised when receivable. In the event that a grant is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates and recognised in income in the year. Any Gift Aid amounts not received by the year end are accounted for in income and accrued income in debtors.

For legacies, entitlement is taken on a case-by-case basis as the earlier of the date on which:

- the Charity is aware that probate has been granted; and
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Charity. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

f) Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs have been allocated between governance costs and other support costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Governance and support costs have been apportioned between all activities based on staff time and use of the resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

g) Intangible fixed assets and amortisation

Intangible fixed assets are valued at historical cost. Amortisation is provided on all intangible fixed assets on a straight-line basis and are written off over their useful economic life. Amortisation rates are as follows:

Website	25% straight line

Assets are assessed for impairment at each balance sheet date. Any impairment value is recognised immediately in the statement of financial activities.

h) Tangible fixed assets and depreciation

Individual tangible fixed assets costing £100 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual values, over their expected useful lives as follows:

Office equipment	33% straight line
Fixtures & fittings	20% straight line
Computer equipment	33% straight line
Leasehold improvements	10% straight line or over the lease term if less than 10 years
Buildings	2% straight line
Freehold land	Not depreciated

Assets are reviewed for any indications of impairment at each balance sheet date.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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k) Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due. Concessionary loans received at below market rates are received in order to further the charitable objects of the organisation and are therefore included at the amount received and are not discounted.

Where the Charity has a legal obligation, a dilapidations provision is created. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease.

l) Financial instruments

The Charity mostly has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at cost which is their fair value. The Charity had also held some quoted investments with Investec which were revalued to market value at each balance sheet date; gains or losses were taken to the income statement as detailed in note 16. When the investments are expected to be held for a period greater than 12 months, they are classified in the balance sheet under Fixed Assets. Included within creditors are property mortgages which are valued on the basis of cost using the effective interest rate method. Further details are in note 20.

m) Pensions

Employees of the Charity are entitled to join a defined contribution pension scheme, the assets of which are administered by NEST. The charity contribution is restricted to the contributions disclosed in note 12.

n) Operating leases

Operating leases are recognised over the period of which the lease falls due on a straight-line basis.

o) Taxation

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

p) Programme related investments

Programme related investments consist of properties rented to Associated Red Balloon Centres. They are held at cost less any provision for impairment.

q) Significant Estimates and Judgements

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

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. These include depreciation, debtor recoverability and bad debts. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Donations and grants

	2023 £	2022 £
Donations	145,148	317,773
Grants	284,018	288,387
	429,166	606,160

Included within donations received are restricted funds of £46,529 (2022: £178,346) and unrestricted funds of £98,619 (2022: £139,427). Included within grants received are restricted funds of £168,018 (2022: £172,456) and unrestricted funds of £116,000 (2022: £115,931).

3 Income from Charitable Activities

	2023 £	2022 £
Levies and recharges to Red Balloon Centres	45,084	48,969
Teaching and support of bullied, traumatised or highly anxious children	2,344,815	1,475,032
	2,389,899	1,524,001

All income from charitable activities was attributable to unrestricted funds in both the current and prior year.

4 Other trading activities

	2023 £	2022 £
Fundraising events	2,581	147,450
	2,581	147,450

Included within fundraising income are restricted funds of £Nil (2022: £31,025) and unrestricted funds of £2,581 (2022: £116,425). A Giving Dinner event was held in the prior year in October 2021, at which donors made pledges totalling £142,575.

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5 Investment income

	2023 £	2022 £
Rents received	60,075	123,000
Dividends	-	1,454
Deposit account interest	22,443	849
	82,518	125,303

Included within investment income are restricted funds of £Nil (2022: £2). All remaining investment income relate to unrestricted funds.

6 Other income

	2023 £	2022 £
Profit on sale of fixed assets	-	1,537
	-	1,537

7 Analysis of expenditure by activity – current year

	Direct costs £	Grant funding £ (note 10)	Support costs £ (note 8)	2023 costs £
Costs of raising funds	49,717	-	26,469	76,186
Charitable activities:				
Advance the education of students at Red Balloons	238,801	25,596	148,906	413,303
Teaching and support of bullied, traumatised or highly anxious children	1,976,283	-	155,490	2,131,773
	2,215,084	25,596	304,396	2,545,076
	2,264,801	25,596	330,865	2,621,262

Analysis of expenditure by activity – prior year

	Direct costs £	Grant funding £ (note 10)	Support costs £ (note 8)	2022 costs £
Costs of raising funds	40,716	-	29,925	70,641
Charitable activities:				
Advance the education of students at Red Balloons	289,961	33,767	193,244	516,972
Teaching and support of bullied, traumatised or highly anxious children	1,429,218	-	150,893	1,580,111
	1,719,179	33,767	344,137	2,097,083
	1,759,895	33,767	374,062	2,167,724

Expenditure in 2023 related to restricted funds was £179,525 (2022: £198,456) and unrestricted funds was £2,441,737 (2022: £1,969,268).

8 Analysis of support costs

	2023 £	2022 £
Finance and professional	100,505	155,478
Bank charges	360	887
Communication	21,965	16,013
Insurance	34,291	32,344
Rent, rates and mortgage interest	21,994	52,890
Repairs and maintenance	30,192	14,041
General office expenses	10,101	2,886
Other staff costs	90,630	65,638
Governance costs (note 9)	20,827	33,885
	330,865	374,062

9 Analysis of governance costs

	2023 £	2022 £
Auditors' fees		
- for audit services	16,200	26,308
- for non-audit services	4,627	7,577
	20,827	33,885

All expenditure on governance costs is spent from unrestricted funds in 2023 and 2022.

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10 Grants to individuals

	Number	Total 2023 £	Number	Total 2022 £
Bursaries	5	25,596	8	33,767

The average bursary per student in 2023 was £5,119 (2022: £4,221).

11 Analysis of staff costs and key management personnel

	2023 £	2022 £
Wages and salaries	1,834,430	1,366,532
Social security costs	154,055	106,962
Pension	37,987	27,539
	2,026,472	1,501,033

The average monthly head count during the year was as follows:	2023 Number	2022 Number
Charitable activities	86	72

The number of higher paid employees was as follows:	2023 Number	2022 Number
In the band £60,000 - £70,000	1	1

The employers pension contributions in relation to the above higher paid employees was £1,321 (2022: £1,321).

The charity considers its key management personnel to comprise of 4 people (4 people in the prior year). Total aggregate remuneration of key management personnel was £257,102 (2022: £201,580). During the year, £Nil (2022: £5,929) of the employment benefit of these were paid by Red Balloon of the Air and £257,102 (2022: £195,651) were paid by the parent company, Red Balloon Educational Trust.

Total termination payments made were £1,391 (2022: £7,893).

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2022: £Nil). Expenses paid to the trustees in the year totalled £234 (2022: £105). These expenses were in relation to 1 (2022: 1) trustee reimbursed for their travel expenses of £234 (2022: £79) and fees for their documents certification required by the Charity of £Nil (2022: £26).

12 Pension costs

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £37,987 (2022: £27,539). No pension contributions (2022: £Nil) were payable to the fund at the balance sheet date.

13 Net income

	2023 £	2022 £
Net income is stated after charging:		
Amortisation of intangible assets owned by the charity	5,167	5,168
Depreciation of charitable assets owned by the group	49,994	17,456
(Profit) on sale of fixed assets	-	(1,537)
Loss on sale of fixed assets	82	98
Operating lease payments: land and buildings	28,521	116,444
Operating lease payments: other	1,315	-
Impairment of programme related investment	-	47,223
Auditors remuneration:		
- for audit services	16,200	26,308
- for non-audit services	4,627	7,577

14 Intangible fixed assets

Group and Charity	Website £
Cost:	
At 1 September 2022	20,670
Additions	-
At 31 August 2023	20,670
Amortisation:	
At 1 September 2022	15,503
Charge for the year	5,167
At 31 August 2023	20,670
Net book value:	
At 31 August 2022	5,167
At 31 August 2023	-

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15 Tangible fixed assets

Group and Charity	Land and buildings £	Leasehold improvements £	Fixtures & fittings, office and computer equipment £	Total £
Cost:				
At 1 September 2022	912,221	42,949	41,819	996,989
Additions	-	7,094	89,691	96,785
Disposals	-	-	(8,269)	(8,269)
Reclassification from programme related investments (note 17)	700.740	-	-	700,740
At 31 August 2023	1,612,961	50,043	123,241	1,786,245
Depreciation:				
At 1 September 2022	5,040	2,070	9,790	16,900
Charge for the year	22,040	5,112	22,842	49,994
Eliminated on disposals	-	-	(4,768)	(4,768)
At 31 August 2023	27,080	7,182	27,864	62,126
Net book value:				
At 31 August 2022	907,181	40,879	32,029	980,089
At 31 August 2023	1,585,881	42,861	95,377	1,724,119

Land and buildings in Group and the Charity include 37 High Street, Milton, which was purchased in April 2022 and 76 Earlham Road, Norwich, which had been leased to Red Balloon Norwich until 30 September 2022. The property was reclassified on this date.

Outstanding mortgages of £908,053 (2022: £594,667) in relation to the properties are secured on the properties included in land and buildings in Group and the Charity.

16 Fixed asset investments

Group and Charity	2023 £	2022 £
Investments are allotted to each range as follows:		
UK Unit Trust	-	-
Equities	-	-
Listed Investments	-	-
Cash	-	-
	-	-

LISTED INVESTMENTS	2023 £	2022 £
At market value:		
Quoted at 1 September	-	64,739
Additions - donated investments	-	213
(Losses)/Gains on investments	-	(8,373)
Disposal	-	(56,579)
At 31 August	-	-
Historical cost of investment	-	-

17 Programme Related Investments

Group and Charity

Properties rented to other Red Balloon Centres:

	£
Cost or valuation:	
At 31 August 2022	2,672,881
Disposal	(700,000)
Reclassification to tangible fixed assets (note 15)	(700,740)
At 31 August 2023	1,272,141
Net book value:	
At 31 August 2022	2,672,881
At 31 August 2023	1,272,141

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Programme related investments represented by:

	2023 £	2022 £
76 Earlham Road, Norwich	-	700,740
220-222 Kings Road, Reading	545,762	545,762
13 Kenton Road, Harrow	-	700,000
57 Warkworth Terrace, Cambridge	726,379	726,379
Total	1,272,141	2,672,881

Outstanding mortgages of £517,843 (2022: £1,297,121) in Group and in the Charity in relation to the properties are secured on the properties listed above.

£Nil (2022: £700,000) and £1,272,141 (2022: £1,972,881) of the programme related investments are included within current and fixed assets respectively. The property at 13 Kenton Road, Harrow was included in current assets in the prior year as it was sold to Red Balloon Learner Centre NW London for £700,000 in September 2022 and the mortgage repaid.

Impairment of £47,223 in relation to this property was recognised in the prior year.

18 Debtors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	9,330	76,469	9,330	76,469
Amounts owed by group undertakings	-	-	-	968
Amounts owed by other Red Balloon Centres	15,082	9,257	15,082	9,257
Prepayments and accrued income	84,309	103,516	84,309	102,143
Rent deposit	-	24,544	-	24,544
Other debtors	302	140	302	140
	109,023	213,926	109,023	213,521

19 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	36,491	21,652	36,491	21,652
Amounts owed to group undertakings	-	-	24,023	14,642
Amounts owed to other Red Balloon centres	1,417	1,216	1,417	1,216
Social security and other taxes	39,836	26,489	39,836	26,489
Other creditors and accruals	50,630	71,591	50,630	62,969
Deferred income	67,851	209,404	67,851	209,404
Mortgages due within one year	43,662	42,314	43,662	42,314
	239,887	372,666	263,910	378,686

Deferred income

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Deferred income at 1 September	209,404	206,358	209,404	-
Resources deferred during the year	67,851	209,404	67,851	209,404
Amounts released from previous years	(209,404)	(206,358)	(209,404)	-
Deferred income at 31 August	67,851	209,404	67,851	209,404

Deferred income relates to school autumn term fees, invoiced in advance of £64,851 (2022: £209,404) and rent invoiced a month in advance of £3,000 (2022: £Nil), both being unrestricted income.

20 Creditors: amounts falling due after more than one year

Group and Charity

	2023 £	2022 £
Mortgages	1,382,234	1,849,474
Amounts owed to other Red Balloon centres	10,732	10,732
	1,392,966	1,860,206

Creditors: amounts falling due after more than one year include amounts not wholly repayable within 5 years as follows:

	2023 £	2022 £
Due within 2-5 years	312,917	204,341
Due after more than 5 years	1,080,049	1,655,865
	1,392,966	1,860,206

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Mortgages are secured on the properties concerned. In addition, there is a debenture in relation to the Milton property mortgage, which contains a floating charge and a negative pledge.

The mortgages for the Cambridge and Norwich properties are with The Cambridge Building Society, the Reading property with Saffron Building Society and the Milton property with CAF Bank. The mortgage for the Harrow property was with The Cambridge Building Society. The mortgages are interest only, except for the Milton property and 58% (2022: 61%) of the balance outstanding at the year end on the Cambridge property.

The rates at the year end were as follows:	2023 %	2022 %
76 Earlham Road, Norwich	8.64	5.64
220-222 Kings Road, Reading	8.79	6.19
13 Kenton Road, Harrow	-	5.64
57 Warkworth Terrace, Cambridge	8.64	5.64
37 High Street, Milton	4.23	4.23

The mortgage interest on the Milton property is fixed for the first five years (commencement 6 April 2022). All other mortgages are on variable interest rates.

21 Provisions for liabilities

Group and Charity	Dilapidations 2023 £	Dilapidations 2022 £
At 1 September	-	-
Added in the current period	20,000	-
At 31 August	20,000	-

22 Capital commitments

As at 31 August 2023 the Charity had contracted to purchase fixtures & fittings amounting to £15,768 (2022: £Nil). This has not been provided for.

The Charity held restricted funds at the year end of £45,741 (2022: £Nil) for the purchase of laptops, to be spent in the following year.

23 Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

Land and Buildings

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Within one year	24,904	21,189	24,904	11,977
Within two to five years	123,506	120,897	123,506	120,897
After more than five years	153,912	181,425	153,912	181,425
	302,322	323,511	302,322	314,299

With the agreement of Red Balloon of the Air, Red Balloon Educational Trust issued the landlord of Winship House with notice in February 2021 that Red Balloon had exercised its right under the terms of the lease to initiate the break clause allowing the lease term to end on 28 September 2021.

A Deed of Variation was signed in September 2021, allowing Red Balloon of the Air and the Charity to remain in the property beyond this date on 4 months notice. The earliest date on which the tenancy could have ended under the new terms was 1 February 2022. 4 months notice was issued in April 2022 and the lease ended in August 2022.

In March 2022, a 15 year lease was enacted for a property at 52-54 Windsor Road, Worthing. Red Balloon Worthing, a new Centre, opened to students at these premises in September 2022. See note 27 Related Party Transactions.

In April 2023, Red Balloon of the Air signed a Deed of Surrender on the Danbury property lease and Red Balloon Educational Trust signed a new 5 year lease for the property.

Other

Group and Charity	2023 £	2022 £
Within one year	5,962	-
Within two to five years	10,586	-
	16,548	-

Included within other operating lease commitments are photocopier leases in the name of the charity.

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24a Funds analysis – current year

Group	Balance at 1/9/2022 £	Income £	Expenditure £	Transfers £ (note 24c)	Balance at 31/8/2023 £
General Funds	785,520	2,689,617	(2,441,737)	235,808	1,269,208
Designated Funds:					
- Intangible & tangible fixed assets	390,589	-	-	425,477	816,066
- Programme related investments	1,375,760	-	-	(621,462)	754,298
Total unrestricted funds	2,551,869	2,689,617	(2,441,737)	39,823	2,839,572
Restricted funds					
Bursaries	85,412	10	(25,596)	-	59,826
Funding for staff training	30,111	-	(1,983)	-	28,128
Funding to further develop and expand the Red Balloon provision	17,913	23,265	(33,464)	-	7,714
Other restricted donations for IT and other equipment, teachers, interns etc	35,447	191,272	(96,726)	(10,496)	119,497
37 High Street, Milton property & refurbishment	53,500	-	(21,756)	(29,327)	2,417
Total restricted funds	222,383	214,547	(179,525)	(39,823)	217,582
Total funds	2,774,252	2,904,164	(2,621,262)	-	3,057,154
Charity					
General Funds	754,715	2,689,500	(2,441,677)	235,808	1,238,346
Designated Funds:					
- Intangible & tangible fixed assets	390,589	-	-	425,477	816,066
- Programme related investments	1,375,760	-	-	(621,462)	754,298
Total unrestricted funds	2,521,064	2,689,500	(2,441,677)	39,823	2,808,710
Restricted funds					
Bursaries	85,412	10	(25,596)	-	59,826
Funding for staff training	30,111	-	(1,983)	-	28,128
Funding for expansion of the Red Balloon provision	17,913	23,265	(33,464)	-	7,714
Other restricted donations for IT and other equipment, teachers, interns etc	35,447	191,272	(96,726)	(10,496)	119,497
37 High Street, Milton refurbishment	53,500	-	(21,756)	(29,327)	2,417
Total restricted funds	222,383	214,547	(179,525)	(39,823)	217,582
Total funds	2,743,447	2,904,047	(2,621,202)	-	3,026,292

24b Funds analysis – prior year

	Balance at 1/9/2021 £	Income £	Gains and losses & Expenditure £	Transfers £ (note 24c)	Balance at 31/8/2022 £
Group					
General Funds	927,214	2,022,622	(1,930,418)	(233,898)	785,520
Designated Funds:					
- Intangible & tangible fixed assets	28,000	-	-	362,589	390,589
- Programme related investments	1,398,661	-	(47,223)	24,322	1,375,760
Total unrestricted funds	2,353,875	2,022,622	(1,977,641)	153,013	2,551,869
Restricted funds					
Bursaries	101,941	17,246	(33,775)	-	85,412
Funding for staff training	32,396	-	(2,285)	-	30,111
Funding to further develop and expand the Red Balloon provision	30,290	62,804	(26,418)	(48,763)	17,913
Other restricted donations for IT and other equipment, teachers, interns etc	27,396	123,279	(115,016)	(212)	35,447
37 High Street, Milton property & refurbishment	-	178,500	(20,962)	(104,038)	53,500
Total restricted funds	192,023	381,829	(198,456)	(153,013)	222,383
Total funds	2,545,898	2,404,451	(2,176,097)	-	2,774,252
Charity					
General Funds	556,906	1,898,331	(1,561,565)	(138,957)	754,715
Designated Funds:					
- Intangible & tangible fixed assets	11,239	-	-	379,350	390,589
- Programme related investments	1,398,661	-	(47,223)	24,322	1,375,760
Total unrestricted funds	1,966,806	1,898,331	(1,608,788)	264,715	2,521,064
Restricted funds					
Bursaries	101,941	17,246	(33,775)	-	85,412
Funding for staff training	32,396	-	(2,285)	-	30,111
Funding for expansion of the Red Balloon provision	16,898	74,738	(24,960)	(48,763)	17,913
Other restricted donations for IT and other equipment, teachers, interns etc	17,616	132,482	(114,439)	(212)	35,447
37 High Street, Milton property & refurbishment	-	178,500	(20,962)	(104,038)	53,500
RBAir education activity	-	340,275	(228,573)	(111,702)	-
Total restricted funds	168,851	743,241	(424,994)	(264,715)	222,383
Total funds	2,135,657	2,641,572	(2,033,782)	-	2,743,447

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24c Funds analysis – fund types

During the year, there were net transfers from restricted to unrestricted funds of £39,823 (2022: £153,013) in the Group and £39,823 (2022: £264,715) in the Charity.

In the Group and the Charity in the current year, £39,823 was transferred from restricted to unrestricted funds in relation to capital expenditure as the restrictions were satisfied upon the purchase of the assets. £29,327 for refurbishment capital expenditure at the Milton property, made up of £27,373 on fixtures and fittings and £1,954 on computer equipment. £986 for leasehold improvements at the Worthing property, a further £9,315 for computer equipment and £195 for office equipment.

In the prior year, £366,412 was included within restricted income in the Charity in relation to the funds transferred from Red Balloon of the Air on 12 October 2021, the date on which the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to a lease on the Danbury property, were transferred to the Charity. £26,137 of this was restricted in Red Balloon of the Air and £340,275 was unrestricted in Red Balloon of the Air, which became restricted on transfer. £111,702 was used as RBAir's contribution to the purchase of the Milton property and therefore transferred from restricted to unrestricted (designated) funds. The remaining £228,573 was spent on RBAir education activity salaries.

In the Group in the prior year, £153,013 was transferred from restricted to unrestricted funds in relation to capital expenditure as the restrictions were satisfied upon the purchase of the assets. £100,000 for the purchase of the Milton property, £42,949 for leasehold improvements at the Worthing property and £10,064 for fixtures & fittings.

In the Charity in the prior year, £264,715, including the £111,702 RBAir contribution to the Milton property, was transferred from restricted to unrestricted funds in relation to capital expenditure as the restrictions were satisfied upon the purchase of the assets. £211,702 in total for the purchase of the Milton property, £42,949 for leasehold improvements at the Worthing property and £10,064 for fixtures & fittings.

Restricted Funds

- Bursaries fund – Grants and donations received to enable the charity to directly support individual students at Red Balloon of the Air and Red Balloon Learner Centres.
- Staff training and development fund – Funds awarded for general staff development and for the staff conference.
- Red Balloon Development and Expansion fund – funds awarded to help with the growth and development of Red Balloon of the Air and the Red Balloon Learner Centres, including grants totalling £6,188 (2022: £Nil) and £Nil (2022: £38,118) specifically for the establishment of new Centres in Aylesbury and Worthing respectively.
- Other restricted donations fund – Individual grants and donations for specific resources. These have contributed towards the purchase of laptops and other educational resources, as well as funding certain teaching, managerial and administration posts.
- 37 High Street, Milton property & refurbishment – Grants and donations received to either contribute towards the purchase or enable the move and for property improvements/adjustments at the new Milton property.
- RBAir education activity – Funds which were unrestricted in Red Balloon of the Air which became restricted to the RBAir provision, on transfer to the Charity (see above).

Designated Funds used for the purposes of fixed assets

- These represent the net book value of intangible fixed assets, tangible fixed assets and of programme related investments at the year end, after deducting outstanding mortgages due on the properties.

25a Analysis of net assets by funds – current year

Group	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	-	-	-
Tangible fixed assets	-	1,724,119	1,724,119
Programme related investments	-	1,272,141	1,272,141
Current assets	217,582	1,496,165	1,713,747
Creditors due within one year	-	(239,887)	(239,887)
Creditors due in more than one year	-	(1,392,966)	(1,392,966)
Provisions for liabilities	-	(20,000)	(20,000)
	217,582	2,839,572	3,057,154

Charity	£	£	£
Intangible fixed assets	-	-	-
Tangible fixed assets	-	1,724,119	1,724,119
Programme related investments	-	1,272,141	1,272,141
Current assets	217,582	1,489,326	1,706,908
Creditors due within one year	-	(263,910)	(263,910)
Creditors due in more than one year	-	(1,392,966)	(1,392,966)
Provisions for liabilities	-	(20,000)	(20,000)
	217,582	2,808,710	3,026,292

25b Analysis of net assets by funds – prior year

Group	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	-	5,167	5,167
Tangible fixed assets	-	980,089	980,089
Programme related investments	-	2,672,881	2,672,881
Current assets	222,383	1,126,604	1,348,987
Creditors due within one year	-	(372,666)	(372,666)
Creditors due in more than one year	-	(1,860,206)	(1,860,206)
	222,383	2,551,869	2,774,252

Charity	£	£	£
Intangible fixed assets	-	5,167	5,167
Tangible fixed assets	-	980,089	980,089
Programme related investments	-	2,672,881	2,672,881
Current assets	222,383	1,101,819	1,324,202
Creditors due within one year	-	(378,686)	(378,686)
Creditors due in more than one year	-	(1,860,206)	(1,860,206)
	222,383	2,521,064	2,743,447

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

26 Events after the balance sheet date

Following a successful pre-registration inspection, Red Balloon Educational Trust Norfolk, based at 76 Earlham Road, Norwich, was formally registered as an independent special school with the Department for Education on 11 January 2024. The first students started in March 2024.

In November 2023, the William Harding's Charity agreed to purchase and refurbish a property in Aylesbury to open a Red Balloon Educational Trust Centre, subject to obtaining the required planning permission. This work is underway.

27 Related party transactions

Analysis of Red Balloon related parties – current year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon of the Air	-	24,023	-	10,349
Red Balloon Norwich	15,082	-	61,336	-
Red Balloon Reading	-	39	41,273	-
Red Balloon Cambridge	-	12,071	59,340	-
Red Balloon NW London	-	40	93,666	-
	15,082	36,173	255,615	10,349

Analysis of Red Balloon related parties – prior year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon of the Air	968	14,642	24,932	25,721
Red Balloon Norwich	9,257	351	124,900	-
Red Balloon Reading	-	29	40,146	-
Red Balloon Cambridge	-	11,528	69,227	-
Red Balloon NW London	-	40	106,753	-
	10,225	26,590	365,958	25,721

Red Balloon of the Air was a fully owned subsidiary for the full year (2022: full year). On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to their lease on the Danbury property, were transferred to its parent company, Red Balloon Educational Trust.

See note 28.

The property at 13 Kenton Road, Harrow, included as programme related investments under current assets in the prior year, was sold to Red Balloon Learner Centre NW London for £700,000 in September 2022 (see note 17).

In March 2022, the Charity entered into a lease agreement for a property at 52-54 Windsor Road, Worthing with Solewild Ltd, a company in which Mr. N Munday, who was appointed as a Trustee of Red Balloon Educational Trust on 5 October 2022, is the sole Director. During the year the Charity incurred expenditure totaling £18,690 (2022: £9,738) in relation to Solewild Ltd, which includes rent of £15,795 (2022: £7,100) and £2,895 (2022: £2,638) for other Worthing property-related costs, including insurance. At the year end, a balance of £Nil (2022: £4,777) was owed by the Charity to Solewild Ltd, included in trade creditors and a balance of £2,292 (2022: £Nil) was owed by Solewild Ltd to the Charity, included in trade debtors. Prepayments of £3,483 (2022: £2,400) and an accrual for the lease incentive of £15,293 (2022: £5,521) are also recorded at the year end.

There are no other related party transactions to note.

28 Principal subsidiary

The following is a 100% owned subsidiary undertaking of the Charity:

Company name	Country	Company Number	Charity Number
Red Balloon of the Air	England and Wales	07328440	1138657

Red Balloon of the Air is a company limited by guarantee and a registered charity. Total funds as at 31 August 2023 were £30,862 (2022: £30,806), which comprised of assets of £30,862 (2022: £40,396) and liabilities of £Nil (2022: £9,590). The charity had income during the year of £10,466 (2022: £176,068) and expenditure of £10,409 (2022: £555,505), giving net income for the year ended 31 August 2023 of £57 (2022: net expenditure £379,437).

On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to a lease on the Danbury property, were transferred to the Charity. £366,412 was included in Red Balloon of the Air's expenditure during the prior year, which represented the donation made by Red Balloon of the Air to Red Balloon Educational Trust on transfer. These funds were received in the Charity as restricted income (see note 24c).

29 Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)	**282,902**	**228,354**
Adjustments for:		
Amortisation charges	5,167	5,168
Depreciation charges	49,994	17,456
Loss / (Net profit) on disposal of tangible fixed assets	82	(1,439)
Impairment of programme related investments	-	47,223
Losses on investments	-	8,373
Investment management charges	-	600
Donation as investments	-	(213)
Decrease in debtors	104,903	28,913
Decrease in creditors	(134,127)	(41,324)
Increase in provisions	20,000	-
Net cash provided by operating activities	**328,921**	**293,111**

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

30 Analysis of changes in net debt

	Balance at 1/9/2022 £	Cash flows £	Other non-cash changes £	Balance at 31/8/2023 £
Cash and cash equivalents:				
Cash	1,135,061	469,663	-	1,604,724
Borrowings:				
Debt due within one year	(42,314)	41,724	(43,072)	(43,662)
Debt due after one year	(1,849,474)	424,168	43,072	(1,382,234)
	(1,891,788)	465,892	-	(1,425,896)
Total	(756,727)	935,555	-	178,828

Borrowings relate to mortgages on the 4 (2022: 5) properties owned by Red Balloon Educational Trust.



Red Balloon Educational Trust
(a company limited by guarantee)

Annual Report and Financial Statements
for the year ended 31 August 2023

Registration No. 5385341
(England and Wales)
Charity No. 1109606

@RedBalloonEdu
@RedBalloonEducation

www.redballoonlearner.org

Sign up to our e-newsletter at
www.redballoonlearner.org/mailinglist

Red Balloon Educational Trust

England & Wales - Charity number 1109606

Accounts

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Charity no: 1109606

www.redballoonlearner.org

Registered with FUNDRAISING REGULATOR



Red Balloon Educational Trust

Annual Report 2021/22

RedBalloon
Educational Trust

“

Red Balloon has helped me by introducing me to new people and helping me back into learning. My confidence has grown, I’m amazed by that!

”

Jess
Red Balloon of the Air



For young people like Jess, student life in mainstream schools can be anxiety-provoking, lonely and isolating. Lack of confidence can lead to a lack of learning. Red Balloon helps young people get their confidence back and sets them on the path to fulfilment and sucess.

Red Balloon Educational Trust Annual Report 2021/22

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Red Balloon Educational Trust Annual Report 2021/22



Introduction from the Chair

In 2021 we made the shift to a new name, image and consolidated approach: Red Balloon Educational Trust. This year we celebrate our first year in this exciting journey to becoming a modern and streamlined organisation serving more children than ever before.

We have been hard at work preparing, because in September 2022 we opened our fifth Centre in Worthing, West Sussex. This expanded our capacity by 20 in-person students and 20 Red Balloon of the Air students. We appointed a wonderful Head Teacher, Kim Anderson, and opened our doors to the many students currently waiting to take that courageous first step towards recovery.

Looking to the next few years, we plan to continue this growth by opening three new Learner Centres and further expanding our Red Balloon of the Air Programme. Although lockdowns are over and many of us have largely resumed our activities, the impact the pandemic has had on our nation's children is dire and long-lasting. The data shows that there were a large number of children just hanging on prior to the pandemic who, post-pandemic, have simply been unable to cope and re-enter the school environment. Our referral numbers are up and it is clear that across the country there is a need for Red Balloon. We believe we are well-placed to expand our provision and are determined to meet this challenge head on.

In another exciting development, at the end of the academic year Central Services and Red Balloon of the Air's Milton team moved to our beautiful new building, Willow Lodge. We are so grateful to our staff for all the hard work that went into this move and to students who have taken this big change with grace and resilience. There is more work to be done to make this the perfect learning space, but we are so excited to call Willow Lodge our new home. With our mortgage we are able to reduce the amount of money we were previously paying in rent by almost 50%, which makes this a brilliant long-term investment and key step in our growth strategy.

As with every year, I want to take the time to recognize the incredible achievements of our students. Although these children had missed out on five or more terms of education before finding Red Balloon, their determination and commitment to learning could not be more evident. Red Balloon of the Air's students are particularly vulnerable, but 100% of students who took Psychology GCSE and 76% of students who took English GCSEs received a 4-9.

Students taking other qualifications like BTECs, Arts Awards and Functional Skills also achieved fantastic results with 93% passing their exams.

Speaking to the broader success of our students' recovery and development, nearly a third of our Red Balloon of the Air students were ready to graduate and transition to their next steps, whether college, apprenticeships or back into mainstream schools.

We could not be more proud and wish them the very best of luck in their endeavours.

With warm regards,



Bev Williams
Chair of Trustees

About Red Balloon

Red Balloon serves young people aged 11 to 18 who are unable to attend mainstream schools because of serious social, emotional and mental health difficulties, trauma or special educational needs that were not being met at their previous school(s). These students have missed out on months, sometimes years, of education and the opportunities and experiences that come with it. They've become increasingly socially isolated and have lost their confidence and self-esteem. Without intervention, they risk slipping through the cracks in our education and mental health systems, leaving them floundering in the adult world.

Together with our fantastic supporters, Red Balloon is able to provide a holistic educational programme focusing on wellbeing, social re-engagement and academic education. At Red Balloon, our students are given the care and support they need to get their confidence and self-esteem back. With us, they can find joy in learning again. After Red Balloon, they're able to move forward in life and return to mainstream education, transition into further education or training, or begin employment.

With students still reeling from the pandemic, and nearly 100,000 children missing from our schools (Centre for Social Justice, Lost but not Forgotten, 2022) the need for Red Balloon's provision has never been greater.

In this year's annual report, you'll see how together with our commissioners, donors, volunteers and wonderful supporters, Red Balloon is doing everything we can to meet this challenge and ensure that even though school isn't for everyone, education can be.

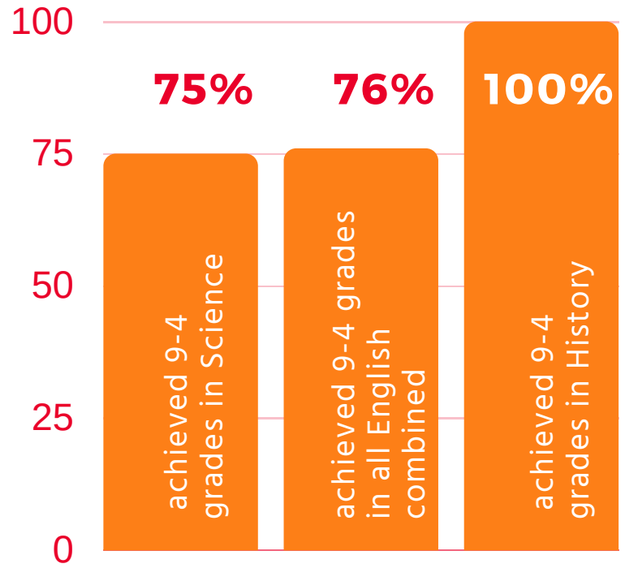
About the Red Balloon Consolidated Group

Red Balloon Educational Trust operates the Red Balloon of the Air provision (since Oct 21) and Red Balloon Worthing (opened Sept 22), as well as continuing to act as the coordinating and service centre for the other four physical Centres. These four Centres are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement. The Red Balloon of the Air provision also operated through a separately registered charity and company limited by guarantee until Oct 21.

At the start of the prior year, 1 Sept 2020, the Red Balloon consolidated group consisted of Red Balloon of the Air, Red Balloon Reading and Red Balloon Cambridge. During 2020-21, Red Balloon Reading and Red Balloon Cambridge ceased to be consolidated, due to the FRS102 definition of control no longer being met. Together with Red Balloon of the Air, they were included in the 2020-21 group results up to their respective disposal dates; 19 May 2021 for RB-Reading and 11 May 2021 for RB-Cambridge, as required by UK accounting standards.On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to a lease on the Danbury property, were transferred to its parent company, Red Balloon Educational Trust. The group results for 2021-22 include Red Balloon of the Air, the separate legal entity.

Our year at a glance

Our students achieve amazing things. Of the 33 students who took GCSE exams in the 2021-22 year:



This year, across 9 counties in England we supported:



90 *children total*

72 *with Education and Health Care Plans*

29 *students 'graduated' and said goodbye to Red Balloon*



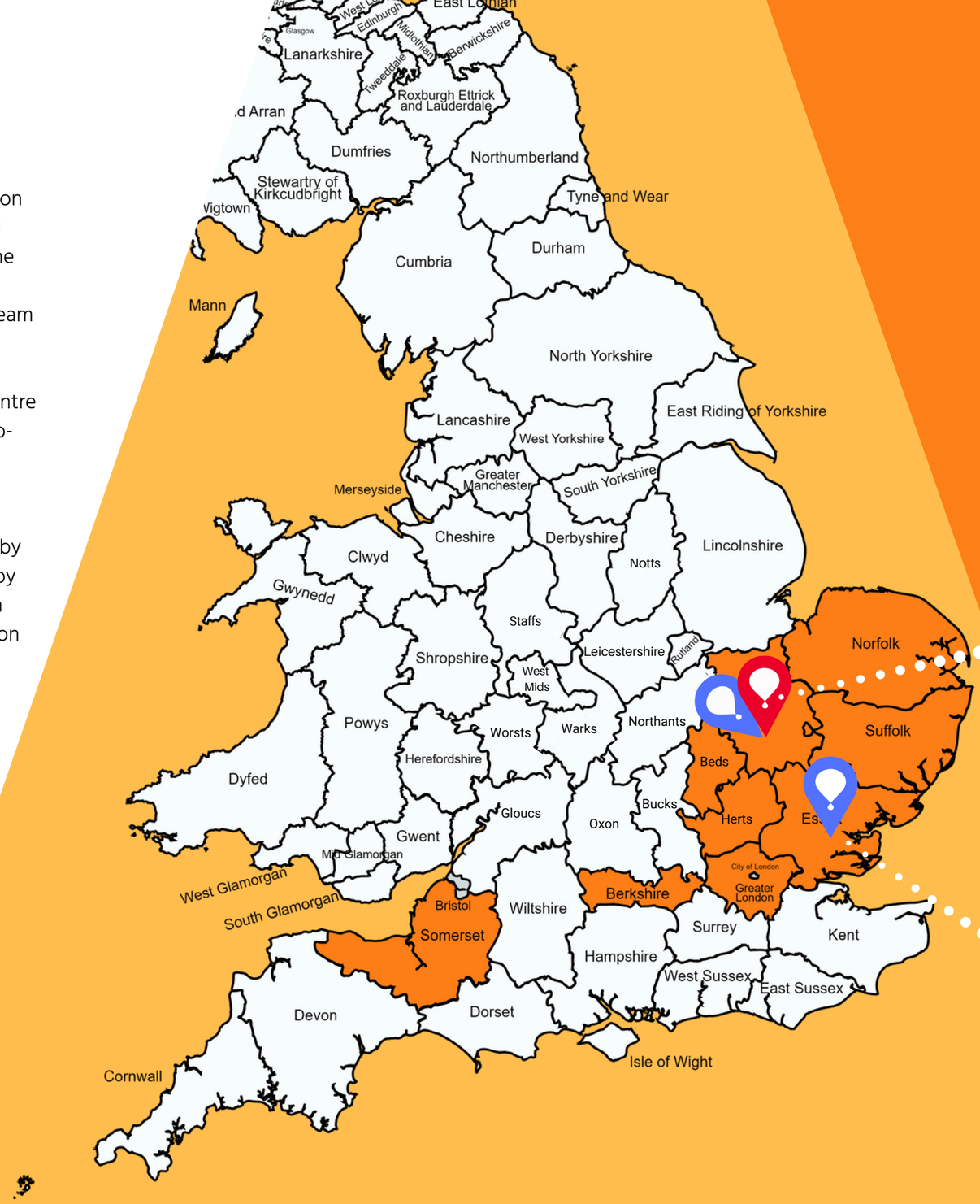
47 *students joined in the 21/22 academic year*

Our locations

Our RBET Centre, based at Willow Lodge in Milton, on the outskirts of Cambridge, is home to the blended online and face-to-face provision, Red Balloon of the Air, but covering various different counties, with several face-to-face hubs. RBET's Central Services team is also based at Willow Lodge.

In September 2022 RBET opened a new physical Centre in Worthing, and in April 2023 another RBAir face-to-face hub was opened in Peterborough.

The four other Red Balloon Centres are run by four separately registered charitable companies limited by guarantee, operating under the Red Balloon name by way of an association agreement. They are based in domestic houses in Cambridge, Norwich, NW London and Reading.







RBET

Red Balloon of the Air face-to-face hubs

Red Balloon Educational Trust supports students across the counties highlighted above.

Message from the Director of Education

Red Balloon Educational Trust consists of Red Balloon of the Air, Red Balloon Worthing and a central services team that provide the underpinning support and organisational development for the network of associated Learner Centres. The central services team provide strategic educational, wellbeing, IT, HR, fundraising, communications and administrative support, so that staff in the Centres can focus on what they do best – changing the lives of bullied and vulnerable young people.

Our focus this year has been to lay the foundations for future growth. Our provision has a long history of success, but the organisation is well aware that many more young people could benefit from our programme.

During this year we gained DfE approval to open a new Centre in Worthing, West Sussex. We also continued to cooperate with the DfE in preparation for the launch of the new Online Education Accreditation Scheme. Successful accreditation under this scheme (anticipated in 2022-23) will provide regulatory validation from Ofsted, allowing more local authorities to refer students to us with confidence.

Another milestone was the purchase of a permanent base for Red Balloon of the Air and the central services team. The latter part of the year saw significant works being undertaken to make the property, now named "Willow Lodge", fit for purpose. As well as providing a setting that better reflects the ethos and values of Red Balloon, Willow Lodge provides a greater opportunity for Red Balloon of the Air to extend the scope of its work in the forthcoming year.

In particular, we are proud to have moved significantly closer to opening our new Centre supporting young people across West Sussex. From its base in Worthing, this is the first opportunity to develop a fully integrated provision, linking Centre provision to that of Red Balloon of the Air. This will enable us to even more closely match the needs of our students to high-quality and appropriate provision.

We are thankful for our donors whose generosity has allowed us to plan with increased certainty. Each donation has made a great impact and enabled further mental health support for our students to meet their increased needs. We operate in a climate that has seen the scale of need grow substantially, but access to services become increasingly limited. We are happy to be a part of the solution to this national crisis and are planning to do more. As ever, we wish weren't needed, but as a country, we seem further away from this panacea than at any time in our history.

Warm regards,



Rob Watson
Director of Education



"Student wellbeing remains at the heart of all we do, and we will continue to support our young people through whatever challenges may lie ahead."

Our values, ethos and practice



Carrie Herbert MBE, Red Balloon's Founder, gives an overview of Red Balloon's values, ethos and practice.

Red Balloon Learner Centres were established for the recovery of severely bullied, traumatised or highly anxious children and young people who are missing education.

The students are typically those who self-excluded and had been out of school for some time, in some cases years. They have lost their confidence in learning, making friends, their trust in adults and the education system. The Recovery Programme that was developed has three components: a robust and negotiated curriculum, an integrated therapy and creative arts programme, and local community activities.

The breakdown of these three areas is based on the learners' needs. Often when they first arrive it is important to create a safe space, so therapy, community activities and the creative arts provide the opportunity to build confidence before academic learning can begin.

Students are given support to:

- **rebuild their self-esteem and grow as individuals**
- **develop resilience and a positive self-image**
- **build the necessary learning skills to succeed when they return to school, move on to further education or enter the world of work.**

Step into any of our Centres and you will feel warmth and an air of supportive companionship, with small groups of students engaged in creative activity and serious learning. Children thrive thanks to the three core components of our programme - wellbeing, community and education - which provide them with holistic support. You can read more about each of our components in later pages.

To maintain our supportive learning communities we ensure that we:

- **treat our students with respect and kindness, using restorative approaches**
- **listen to our students and respond to their concerns**
- **establish communities to which our students and staff feel they belong and to which they contribute**
- **design individualised, negotiated educational and wellbeing plans to enable students to meet their goals**
- **combine academic study with social and emotional recovery programmes**
- **encourage creativity at all levels.**

Wellbeing

Social, emotional and psychological support is critical to our young people's ability to recover, learn and succeed

> Since coming to RB I have made lots of friends and have unforgettable good memories.



A full-time student at RBAir will receive 37 hours of therapy with a trained therapist each year.

Every child deserves to grow up in an environment that fosters their self-confidence, resilience, and social and emotional health.

The young people who find themselves at Red Balloon are not able to attend mainstream education. Bullying, trauma, mental ill-health and a lack of adequate support have pushed them to a breaking point. At Red Balloon, we start with wellbeing. We help these young people to regain their self-belief and self-worth and re-engage with education at a pace that is suited to each individual. We timetable psychological support directly into their day because students' wellbeing is key to their ability to learn, grow and succeed. Our licensed therapists use a range of different tools to help students open up and work through any trauma or issues in a safe and confidential environment. This time with a dedicated wellbeing professional is crucial for students' emotional recovery and further success.

Now, not all wellbeing work happens in a counselling session. Students can also recharge by taking part in wellbeing activities like non-competitive sports, yoga, and meditation. They might challenge themselves to stretch outside their comfort zone by trying new activities like bushcraft, visiting museums or making candles, knowing that they will always be in a positive, encouraging and safe environment. At Red Balloon, we make space for our animal friends, and for some students who struggle to interact with and trust other people, pets are the perfect helpers in encouraging these young people out of their shells.

When they begin, many of the young people attending Red Balloon of the Air are too anxious to attend a Centre in person. Mentors play a critical role in their social and emotional recovery by visiting them at home and working with them one-on-one to develop the confidence and skills needed to thrive outside their homes. They might start by talking to a student through their bedroom door and coaxing them to the kitchen table. They'll continue to build that relationship with the student throughout their time at Red Balloon, acting as a mentor, role model and first point of contact. They'll support students to attend in-person sessions or extracurricular trips and work with students to achieve personal goals like becoming comfortable talking to new people. When it's time for students to leave, their mentors help support them as they start their next venture.

Education

Tapping into students' natural curiosities with a bespoke curriculum encourages them to become an active part of their own learning journey

“I’m so fortunate to be here at Red Balloon and finally love learning again.”



Between our four 'brick and mortar' Centres and Red Balloon of the Air, students are able to study over 35 subjects, tailored to their individual interests.

When children get to negotiate their curriculum, they buy into and get excited about learning. It also means we can offer them individualised challenges that suit their needs and progress, and tap into their natural curiosities.

When students are curious, interested and passionate about something it turns them into active and engaged learners. Our teachers embrace and tap into students' passions to help them better engage with learning and flourish in the classroom. A student who writes about their hobby of Japanese poetry or photography will still learn grammar and punctuation but will be much more excited and motivated to do so.

We recognize that every student will work at a different pace and will need different things to thrive. Lessons at Red Balloon are structured with this in mind. Students begin with one-to-one sessions and later progress to small group sessions of no more than six. A typical day will consist of six 45-minute sessions.

Our negotiated approach means every student is on a learning journey that is uniquely suited to them. This inspires and motivates the young people to learn, challenges them appropriately and prepares them to take the next step towards becoming happy, healthy and fulfilled adults.

At Red Balloon we want students to feel safe, welcomed and respected. We ditch the formalities of mainstream schools, so when students come into Centre they don’t need to wear uniforms and they call staff by their first names. At Red Balloon of the Air, students log in at home and take their lessons online, in real time. The teaching team uses the same Red Balloon teaching ethos and approach, but harnesses the power of digital technology to create fun, hands-on activities which bring the curriculum to life. Lessons will often begin simply with the teachers checking in with students, chatting to them about how they’re feeling that day, if they did anything fun over the weekend or how their family pet is doing.

All students have access to English, maths, science, humanities and personal, social, health and economic education (PSHEE). Beyond that, each Centre will have different subjects on offer. At Red Balloon of the Air animal care, art, and psychology are popular options. These extra subjects are chosen based on student interest. There are also extra-curricular activities like songwriting or coding, for example.

Social re-engagement

Helping students to develop the confidence and skills they need to engage with their peers and wider communities

> I am now able to trust people and be more sociable and I have begun to develop long-lasting friendships that I have not had for such a long time.



In the 2021-22 academic year RBAir provided 21,931 hours of provision to over 100 students.

We want our young people to build positive and genuine relationships, find a sense of belonging and feel confident engaging with the wider world.

Prior to finding Red Balloon, our students were not attending school and some were unable to leave their homes. Most had lost their friendships and routines, and become socially confined. Our students were missing out on everyday social interactions and the chance to develop vital interpersonal skills.

This is especially true of students at Red Balloon of the Air. Some of these students may not have spoken to someone outside their immediate family for a long time. For these young people, Link Mentors play a critical role in their progression towards in-person activities and re-engaging with the world.

A big step for Red Balloon of the Air students is being able to come to a Student Hub. Initially, this might be for a 1:1 practical music or science session for example. However, as the children gain more confidence they can take the next step and join in an in-person group session with their peers. This is a huge milestone! This may still be for a practical lesson or they might join a more social baking session. We see students make remarkable progress when they are able to engage in safe and positive interactions with their peers.

Staff and Link Mentors, in particular, help students build their confidence to carry out everyday interactions like making a phone call, using public transport independently or talking to a cashier in the shop. When students are ready to move on from Red Balloon they may need help with moving into a new environment. This might include assisting them to plan their route to college, explore the campus in advance or identify and meet people who can help them should they begin to struggle.

Social re-engagement can be a slow process, but it is incredibly rewarding for students who, for a long time, didn't have friends, didn't feel they could trust the adults around them and had become increasingly fearful of everyday interactions with the wider world. It is wonderful when staff get to send them on to their next adventure and can visibly see the shift in their confidence and willingness to engage with others and take those everyday risks.

Alumni case study: Hannah

When my parents contacted my old school about me being bullied, the school denied anything was wrong. My parents were told that I needed to become less sensitive to 'banter', 'just get on with things' and maybe if I smiled more I would make friends.

The school said that in actual fact other kids were scared of me because the people who bullied me spread rumours that I wanted to stab people. I was told to apologise, as the bullies told the school that I was the one bullying them. Even when I was physically attacked, the school did nothing. I didn't feel that I got any support from my school.

I was struggling at the time with my home situation. I was finding it very difficult to cope with serious illness and disability in family members, it put so much pressure on me and I received no help or understanding whatsoever from the school.

When I left school I was so traumatised by what happened that I was suicidal. I didn't leave my room for months. I refused to even contemplate getting back into education, because I thought that it was just another way of getting me back into the same situation.

> **"Little did I know, Red Balloon was about to save my life."**

I honestly don't know what I would do without the counselling sessions. I got a 45 minute counselling session every week called wellbeing. It was a time that I could be honest about how I was feeling and what I was struggling with. My counsellor arranged extra sessions if I was feeling particularly low. My worst fear was falling behind academically, so my learning was really important to me. The lessons that I was offered at Red Balloon were great, I could keep learning and I could begin to see a future for myself. I remember thinking that I was clever enough to go to college and university. I sat my GCSEs and thanks to my teachers I was on track to achieve good grades.

At Red Balloon, I had a place where I finally belonged. I had friends that weren't going to turn on me and bully me, or talk about me behind my back. I was safe at Red Balloon, at the Satellite Centre when I went once a week for social activities. I didn't feel alone and scared anymore. I didn't attempt suicide or hurt myself any more. People that haven't been bullied cannot possibly understand how essential it is to belong to a community.

> **"In school I was an outcast, but at Red Balloon, I had a place and I knew that I would always have friends, friends that understood me and liked me for the person that I was."**



"Children like me deserve an education. I loved learning and I wanted nothing more than to learn and succeed in life. "

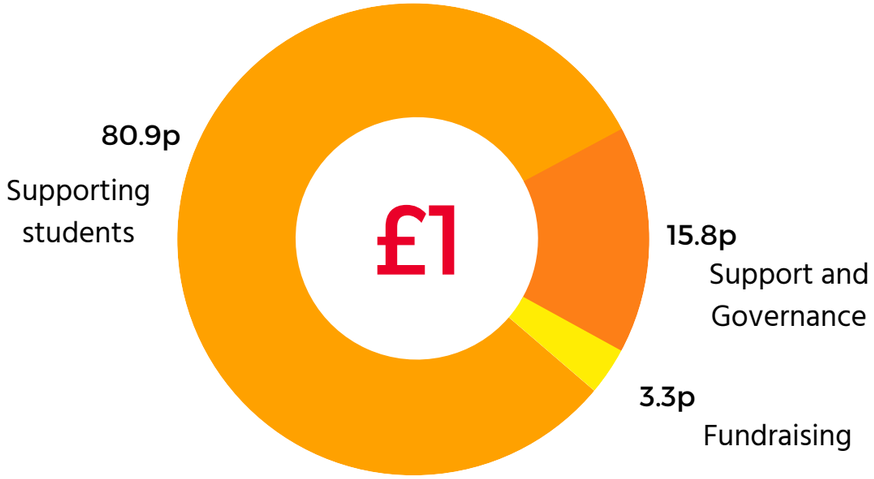
Fundraising: a year of amazing support

We couldn't do what we do without our incredible supporters who have donated money, time, and expertise to keep our Centres running and help us reach more young people in need of our provision. It is thanks to them that our young people are able to turn their lives around.

A very special thanks to our supporters below

BBC Children in Need
The Beatrice Laing Trust
Cambridge Intelligence
Cheryl Sfetas
Christine Buccella and John Wadham
Clare King Charitable Trust
David Soanes
Diarmuid Ó Séaghdha
Francis Burkitt
Garfield Weston Foundation
Ingles & Hayday
The Ingles Charitable Trust
The Leri Charitable Trust
Michael Thorne
Nic Humphries
Nick Munday
Philip Goldenberg
Philip King Charitable Trust
Rachel Munday
Ralph Burditt
Revd Prof Michael Reiss
Ruth Loshak
The Screwfix Foundation
Stan Webster
Susan Cooklin
The Sussex Community Foundation
Tim and Charlotte Ingles

For every £1 we spent in 2021/22 in the Red Balloon Educational Trust consolidated group, 80.9p went on direct costs supporting students:



We cannot operate effectively without good management and fundraising efforts.

Supporter case study: Cambridge Intelligence

Cambridge Intelligence builds data visualization tools that make the world a safer place. From law enforcement to cyber security and fraud detection, they work with organisations around the globe. Every day thousands of analysts rely on their technology to 'join the dots' in data and uncover hidden threats.

They began a Charity of the Year programme in 2021 to give back and support the local community. Red Balloon was chosen as one of the charities and Cambridge Intelligence kindly donated £25,000 in Dec 2021, and pledged to donate a further £14,000 in Dec 2022.

Cambridge Intelligence

A Charity of the Year donation to support opening Red Balloon Educational Trust's new premises at Willow Lodge, 37 High Street, Milton

£25,000 in 2021

Creating a versatile, well-equipped and homely space for students is a vital part of the Red Balloon Educational Trust's provision. Red Balloon Centres all feel as little like a standard school as possible to avoid any bad associations our students may have with attending a formal setting, and to ensure they feel comfortable and at ease while with us. Our spaces need to be flexible and well-equipped to meet the changing needs of our students: this enables us to adapt sessions to follow students' interests or in response to wellbeing needs, to make sure they're getting the best possible support to reach their goals.

Moving within Milton from Winship House to our new Willow Lodge premises gave us the opportunity to create the spaces our students most need. Support from Cambridge Intelligence enabled us to grasp this opportunity fully and make optimum student spaces a reality.

Cambridge Intelligence's donation helped renovate and equip student spaces including three main in-person session spaces, a science lab, therapy rooms and a kitchen for functional skills sessions. These new spaces allow our students to truly explore and learn about subjects that they are passionate about. There is breakout space if needed for wellbeing, designated areas for therapy, cooking and science, and ample storage for all the equipment our students need to engage with learning and personal development.

> "The new student space has made such a difference to our young people! We're able to offer so much more and be more adaptable to their needs in sessions."
>
> - Jacqui from the in-person staff team



With Cambridge Intelligence's help, RBAir students have a transformed suite of rooms for in-person sessions, lessons and therapy.

Our plans for the future

Our strategic objectives for the next three years are to:

Improve the way students are supported

- We will continue to work with the student body to improve the measurement tools we use to assess their progress and achievement.
- We will continue to make effective use of existing technologies, as well as explore new ones, to enhance students' learning and wellbeing experiences.
- We will continue to provide flexible and additional support, recognising the impact of the COVID pandemic on our current students and those who will access our services in the future.

Reach more isolated and vulnerable children

To meet the growing need, we will expand Red Balloon so we can reach more bullied, anxious and traumatised children.
This past year we have achieved this goal by:

- completing preparations for opening a new Centre in Worthing, West Sussex.
- expanding Cambridge and NW London Centres - by 20 children each.

And we will continue to work towards this aim by:

- opening a further additional Centre in a new location
- continued support of increasing the number of students on Red Balloon of the Air.

Inspire more people to support our work

- We will diversify our funding sources to reflect the challenging fundraising landscape and to finance our growth plans.
- We will continue to develop our donor stewardship so every one of our supporters has a positive experience, however they choose to support our work.
- We will establish relationships with new charitable trusts and individual donors.
- We will strengthen our national voice and influence regarding children missing from school because of bullying, anxiety and trauma.
- We will emphasise to local authorities and other educational bodies the importance of student wellbeing, particularly in regions which we have identified for growth.



Manage our charity as effectively and efficiently as possible

- We will continue to move towards a consolidated governance model across Red Balloon, which has already begun with the merger of Red Balloon of the Air and Red Balloon Educational Trust (RBET), and the establishment of Red Balloon Worthing as part of RBET.
- We will continue to review processes to ensure transparency, accountability, responsiveness and compliance with relevant regulations and legislation.
- We will continue to identify and manage major risks to the organisation.
- We will maintain pressure on the Department for Education to accredit online education in line with its commitment in June 2020.
- We will develop, implement and maintain a workforce plan that enables Red Balloon to recruit, motivate, train and retain staff with the skills and competencies required to meet needs now and in the future.
- We will continue to develop and implement a volunteer involvement programme to enrich students' Red Balloon experience.
- We will utilise appropriate existing and new technologies to enhance the ways that staff support students.



Financial review

Risk assesment

Structure, governance and management

Financial review

Red Balloon Educational Trust (RBET), formerly Red Balloon Learner Centre Group ('the Charity') acts as the coordinating and service centre for a number of related Red Balloon Learner Centres in Cambridge, Norwich, North West London (in Harrow) and Reading. These entities are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement. In addition, since 12 October 2021, Red Balloon's blended online and face-to-face provision, Red Balloon of the Air ('RBAir Education Activity'), has been directly operated by the Charity. Prior to this date, the RBAir Provision was operated through a separately registered charity and company limited by guarantee, Red Balloon of the Air ('RBAir Company').

At the start of the prior year, 1 Sept 2020, the RB consolidated group consisted of RBAir Company, RB-Reading and RB-Cambridge. During 2020-21 RB-Reading and RB-Cambridge ceased to be consolidated, due to the FRS102 definition of control no longer being met. Together with RBAir Company, they are included in the group results up to their respective disposal dates: 19 May 2021 for RB-Reading and 11 May 2021 for RB-Cambridge, as required by UK accounting standards. On 12 October 2021, the operations, assets and liabilities of RBAir Company, except for those in relation to a lease on the Danbury property, were transferred to its parent company, Red Balloon Educational Trust. The group results for 2021-22 include RBAir Company.

Consolidated income decreased by £1,057k (2021: £444k increase) on prior year to £2,404k (2021: £3,461k), which can mostly be attributed to RB-Reading and RB-Cambridge's results being included for part of the year in the prior year. Fee income decreased by £1,216k (2021: £556k increase) to £1,475k (2021: £2,691k), £52k of which was due to 3.4% lower fee income from the RBAir Education Activity and the balance due to RB-Cambridge and RB-Reading no longer being consolidated. Income from donations and grants decreased by £47k (2021: £104k) on prior year to £606k (2021: £653k). However, fundraising events, included in other trading activities, increased significantly by £147k (2021: £0.5k) to £147k (2021: £0.5k), mostly in relation to a Giving Dinner held in Oct 2021. Other income decreased by £6k (2021: £30k) on prior year to £2k (2021: £8k), £8k decrease was in relation to the Coronavirus Job Retention Scheme grant claimed; £5k by the Charity and £3k by RBAir in 2021.

Expenditure decreased by £1,294k (2021: £596k increase) on prior year to £2,168k (2021: £3,462k), however, included within expenditure for the prior year were £850k in relation to the disposal of the RB-Reading and RB-Cambridge and £770k of their expenditure for part of the year. There was £326k, 18% increase in expenditure for RBET and the RBAir Education Activity combined, £69k of which related to various set up costs for the new Worthing Centre. Expenditure in the Charity increased by 223% (2021: 36% decrease) and in RBAir Company decreased by 61% (2021: 3% increase); the significant movements due to the RBAir Education Activity being transferred from RBAir Company to RBET during the year.

Overall, there was a consolidated surplus of £228k (2021: £6k), of which £241k (2021: £236k) was attributable to the Charity, £13k deficit (2021: £221k surplus) to RBAir Company, £Nil (2021: £196k) to RB-Cambridge and £Nil (2021: £152k) to RB-Reading. In the prior year, there were additional factors attributable to the consolidated surplus: £58k surplus in relation to the reclassification of the Cambridge and Reading properties to programme related investments; £850k deficit arising on the disposal of subsidiaries and the balance of £7k deficit due to consolidation adjustments.

RBAir Education Activity's fee income decreased by £52k in 2021-22 (2021: £362k increase) to £1,475k (2021: £1,527k) due to slightly lower student numbers. £148k of the fees were in RBAir Company and £1,327k in RBET. RBAir Education Activity's expenditure increased by £154k (2021: £33k), £124k increase in staff costs and £33k increase in property costs, due to the 5 months overlap of the Winship House and Willow Lodge properties. At 31 August 2022, RBAir Company held £31k (2021: £387k) of unrestricted reserves, following the transfer of £26k restricted and £340k unrestricted reserves totalling £366k to RBET on 12 October 2021. The unrestricted reserves transferred became restricted to the RBAir Education Activity in RBET on transfer; £112k was spent as a contribution towards the purchase of Willow Lodge and £228k spent on staff costs in 2021-22.

The Charity's net assets increased by £607k (2021: £236k) to £2,743k (2021: £2,136k) in the year. Its income increased by £1,786k (2021: £140k decrease) to £2,642k (2021: £856k); £1,327 from fee income which was not previously generated in the Charity, £366k (2021:£Nil) donation on the transfer of RBAir, £108k increase (2021: £91k decrease) from donations and grants income, £5k decrease (2021: £33k) in relation to the Coronavirus Job Retention Scheme, £147k increase (2021: Nil) in income generated from fundraising events, and £157k net decrease (2021: £16k) in other income categories, including levies and recharges to other Red Balloons, which are no longer charged to RBAir Company, following the transfer of the RBAir Education Activity to RBET. Costs increased by £1,398k (2021: £348k decrease) to £2,025k (2021: £627k) due to higher expenditure in the following areas: £26k (2021: £255k lower) in bursaries and grants awarded to other Red Balloons; £76k (2021: £27k lower) in premises costs, £1,112k in staff costs (2021: £144k lower), £81k (2021: £59k higher) in recruitment and professional costs, £25k (2021: £Nil) in education activity costs, £47k (2021: £Nil) impairment of programme related investments and £51k net increase (2020: £13k net decrease) in other areas. This was partially offset by lower expenditure of £4k (2021: 4k higher) in fundraising expenses and £16k (2021: £28k higher) in depreciation and amortisation charges.

At 31 August 2022, the consolidated group's net assets amounted to £2,774k (2021: £2,546k), of which approximately £1,766k (2021: £1,613k) is in fixed assets (net of mortgages).

Investment policy and performance

Surplus funds were split between CAF Bank savings accounts, paying interest at the end of the financial year at approximately 0.5% pa (2021: 0.01% pa) and funds held with Investec. During 2021-22, Investec funds were liquidated and transferred in full to the CAF Bank savings accounts. Around 65% of the Investec funds were held as cash paying 0% pa at the start of the year and from April 22, 0.15% (2021: 0% pa) interest, 10% in fixed interest investments and the remaining 20% in UK and international equities. The trustees believe the CAF Bank savings accounts, currently paying interest at 1.35% pa, appropriately balance the need for ready access, good security and investment return, although other investment options are also being considered.

Reserves policy

The trustees aim to keep reserves in line with Charity Commission guidance, and, having assessed the various risks to the Charity, believe a policy to maintain a minimum level of free reserves at three to six months of the forecasted future annual operating costs is appropriate. Free reserves are calculated as unrestricted reserves, less fixed assets excluding fixed asset investments, net of mortgages. At 31 August 2021, the Charity held free reserves of £755k (2021: £557k), equating to around 4.3 months (2021: 14.6 months) operating costs. The operating costs of RBET have increased significantly following the transfer of the RBAir Education Activity in Oct 2021 and the opening of the Worthing Centre in Sept 2022. Some of the free reserves at the prior year end were used towards the purchase of a new property in Milton, in April 2022. The trustees of the Charity will review its reserves policy and continue to closely monitor the reserves position in the forthcoming year.

Monies donated for a specific purpose are held as restricted reserves and separately tracked and accounted for (see financial statements and accompanying notes).

Going concern

The RBAir Education Activity was able to maintain their provision despite the challenges posed by the Covid-19 situation, and has seen no major adverse impact on operations as a result of the pandemic. Student numbers have remained stable in 2022-23 but an increase in fee income is forecast due to higher fees, as a result of a review of pricing strategy. Fee income is forecast to increase again the following year, as a result of further fee adjustments and based on the level of enquiries. Grants and donations income has been lower in 2022-23 compared to the previous couple of years but the RBAir Education Activity and the new Worthing Centre are both forecast a surplus, which will offset any reduction in fundraising income. Following detailed review of the Company's forecasts and projections, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

There were no significant events affecting the Charity's financial position during the year and the Charity's financial position at the end of the reporting period remained stable.

Risk assessment

The trustees have assessed the major risks to which the Charity is exposed, and are satisfied that the appropriate actions, policies and procedures are in place to mitigate, but not totally eliminate, the exposure to the major risks. These are described below:

Major risks, and impact	Mitigating actions and responses
Inadequate service provision – students fail to improve and to return to mainstream education or training.	Taster day for potential students to experience Red Balloon and agree to its operating principles. Individually negotiated curriculum for each student, and proper assessment of their needs. Recruitment of high-quality staff and counsellors who embrace Red Balloon's way of operating. Regular assessment of students' overall progress; student feedback and discussion; adaptation of curriculum and approach as needed. Training for staff to keep up to date with subject material and regulations.
Student safeguarding – students harmed or self-harming.	Management will ensure staff members are conversant and compliant with safeguarding policies, and ensure their training is up-to-date. Appropriate de-escalation procedures are in place in the event of an incident. Health & safety risk assessment policies up-to-date and inspections carried out at appropriate intervals. Central monitoring of compliance at Learner Centres and RBAir.
Changes in government policy or regulation – adverse inspections of Learner Centres, and ability to deliver online provision through RBAir.	Monitoring of changes in regulation, policies and approach with government departments, regulators, commissioners and inspectorates, and adjusting Red Balloon policies, processes and provisions as required. Monitoring the status of RBAir, and managing its online provision in line with all applicable regulations. Engagement with lawmakers and educators on support for bullied children, including acting as secretariat for the All-Party Parliamentary Group on Bullying.
Financial insolvency – inadequate funding to cover expenditure	Focused fundraising by a dedicated development team; setting fees at an appropriate level; marketing of Red Balloon services to ensure an adequate pipeline of students. Proper budgeting and efficient cost management. Monitoring cash balances with an appropriate level of reserves on hand.
Cyber Security - resulting in a safeguarding risk, data breach (also see below), failure to conform to regulation	Implementation of IT strategy that ensures compliance, ensuring hardware and software purchases can be centrally supervised. Training to ensure compliance with revised IT strategy. Improved authentication procedures.
Loss of IT data and/or access to central systems – resulting in confidential data loss and/or operational disruption including online provision.	Ensuring software and virus protection on devices are up-to-date, as well as restricted physical access. Appropriate password protection maintained and offsite/cloud backup in line with IT policies. Confidential personal information is identified and encrypted. A second and distinct data line maintained for RBAir.

Structure, governance and management

Constitution

The Charity is registered as a charitable company limited by guarantee.
The Charity is constituted under a Memorandum of Association dated 21 February 2005 and its charity registration number is 1109606.

Method of appointment or election of trustees

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited to fulfil specific roles. Job roles are clearly described and the appropriate level of skills and experience required is clearly defined. Positions are advertised and formal applications requested. Interviews take place and candidates who most closely match the selection criteria are invited to attend a trustees meeting as an observer. No person or external body other than the trustees is entitled to appoint trustees.

Policies adopted for the induction and training of trustees

i) All new trustees are invited to visit an existing Red Balloon Learner Centre in order to appreciate how it differs from a school and how it operates.
ii) All new trustees meet with the Chair, the Executive Officer, the President and the Financial Controller. The Chair explains the aims of the Charity.
iii) The President describes the history of the founding and development of Red Balloon, defines 'bullying' with examples of the kind of treatment to which students were subjected in mainstream school and which led to them refusing or becoming unable to attend. She expounds the five core principles governing the operation of the individual Learner Centres.
iv) The Financial Controller acquaints them with the financial basis of the Charity.
v) The trustees are given the documents issued by the Charity Commission regarding the duties of trustees ("The Essential Trustee"), together with "Red Balloon - An Introduction".
vi) All trustees are required to provide satisfactory DBS clearing, complete basic online PREVENT and Child Protection training, a Trustee Declaration of Interests and confirm that they are a suitable person to stand as a trustee.
vii) The induction process includes meetings with the main contact staff relevant to their specific job role and other trustees. Final election and confirmation as a trustee are carried out at a full Trustees' meeting.

Organisational structure and decision making

i) The Charity operates from its premises at Willow Lodge in Milton, Cambridge. The Executive Officer oversees individuals with responsibility for the RBAir & RB-Worthing provisions, development and fundraising, marketing and communications, IT, finance and human resources.
ii) Day-to-day decisions are made by the Executive Officer, who will refer to the Chair of Trustees, the President or another trustee for advice or guidance if necessary.
iii) The Board of Trustees meets formally approximately every six weeks, when they receive and discuss written reports from the Executive Officer and Financial Controller.
iv) Major policy and project proposals are brought to the attention of the trustees by the Executive Officer, discussed, and decisions made are minuted and subsequently implemented. There is a schedule of matters reserved for the board.
v) At each meeting, the Chair asks the trustees to record any potential conflict of interest.

Structure, governance and management

Pay policy

A set of pay bands has been established which define a pay range for each group of staff, taking into account level of responsibility, qualifications and experience. Key management remuneration on appointment and any subsequent changes are authorised by the trustees. An appropriate local set of pay bands has been implemented at other locations. Performance reviews take place for all staff. Key management remuneration details are included in note 11.

Fundraising standards information CA 162A

Red Balloon Educational Trust (RBET) raises some funds from the public.

1. RBET undertakes fundraising through our internal resources and we do not commission a professional fund-raiser/commercial participator for these;
2. RBET is not subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or voluntary standard for fundraising in respect of activities on behalf of the charity;
3. RBET monitors fundraising activities via the board reports and via fortnightly meetings;
4. RBET received no complaints during the year about activities for the purpose of fundraising;
5. RBET has adopted principles of GDPR legislation and also has safeguarding policies to protect the data of vulnerable people and other members of the public from:
   a. Unreasonable intrusion on a person's privacy;
   b. Unreasonable persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity;
   c. Placing undue pressure on a person to give money or other property.

Compliance with the Code of Fundraising Practice

The Charity is registered with the Fundraising Regulator to demonstrate its commitment to transparent charity management and adhering to the Code of Fundraising Practice. Supporters have the right to know that the Charity can be trusted to be open and honest and that they will be treated with care and respect. The Charity's fundraising promise is published on its website which explains what supporters can expect from it and what to do if they have any concerns.

The data protection statement online has been expanded so supporters can see how the Charity manages and uses their data within the General Data Protection Regulations. They are invited to change the way the Charity communicates with them at any time. It has introduced Donorfy Customer Relationship Management system to ensure that its donor data is held appropriately and securely. This forms an integral part of achieving readiness for growth.

The Charity's fundraising activities continue to be largely focused on approaches to grant-making bodies as well as high net-worth individuals, but it has been developing its stewardship of individual donors, to encourage regular giving and community fundraising.

Public benefit

The Trustees have had regard to the Charity Commission guidance on Public Benefit. Red Balloon Learner Centres provide an 'intensive care' full-time education, mainly for children (11 -18) who have been so seriously bullied or traumatised that they exclude themselves from school. There is no other purpose-made scheme to help this group of children recover and to restore them to normal life. They are provided with a safe environment with clear boundaries for behaviour and a bespoke full-time academic, pastoral and therapeutic programme.

Structure, governance and management

According to research carried out by the National Centre for Social Research in 2011 (Estimating the Prevalence of Young People Absent from School because of Bullying), of the approximately 3.1 million 11 to 15 year olds in England, about five in one thousand, or 16,500 children, have been bullied to the point that they have left the mainstream educational system.

Experience in Red Balloon's Centres and at RBAir causes us to believe that there is a need for much wider access in the UK to provision of the kind that Red Balloon offers. Red Balloon improves the skills and life opportunities of a group of socially isolated, anxious and ignored children. It contributes to stronger communities by identifying and addressing the problem of seriously bullied and traumatised children with the help of the community, and for the benefit of the community.

Trustees' responsibilities

The Trustees (who are also Directors of Red Balloon Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP; make judgments and accounting estimates that are reasonable and prudent; prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors In connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditor

The auditors, Price Bailey LLP, have indicated their willingness to continue in office. The designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees. In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 18 May 2023 and signed on their behalf by:



Beverley Williams

Administrative details of the charity, its trustees and advisors

Charity registration number	1109606
Company registration number	05385341
Trustees and Directors	Dr Carrie M H Herbert, President Ms Beverley A Williams, Chair Revd Prof Michael J Reiss Mr Simon P Mace (resigned 22 November 2022) Ms Jennifer R Raine (appointed 25 November 2021 and resigned 3 February 2023) Mr Nicholas H P Munday (appointed 5 October 2022)
Executive Officer	Director of Education: Mr Robert Watson
Company Secretary	Dr Carrie M H Herbert
Principal/Registered office	Willow Lodge 37 High Street Milton Cambridge CB24 6DF
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

Auditor's report and financial statements for the year ended 31 August 2022



Independent Auditor's Report to the Members of Red Balloon Educational Trust

Opinion

We have audited the financial statements of Red Balloon Educational Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Members of Red Balloon Educational Trust

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report incorporating the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the strategic report.

Independent Auditor's Report to the Members of Red Balloon Educational Trust

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustees' Report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and how it operates and considered the risk of the group and the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the group and the parent charitable company this included employment law, financial reporting and health & safety.

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed accounting policies for evidence of management bias and ensured that the accounting policies were correctly applied to the financial statements.
- We reviewed minutes of Trustee Board meetings, any correspondence with the Charity Commission and reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.
- certain disclosures of trustees' remuneration specified by law are not made; or
- We agreed the financial statement disclosures to underlying supporting documentation, made enquiries of management and officers of the parent charitable company regarding laws and regulations applicable to the organisation and discussed whether there had been any known breaches of laws and regulations in order to consider any possible further considerations or impact upon the charity.
- We reviewed the risk management processes and procedures including a review of the Board assurance reporting.

Independent Auditor's Report to the Members of Red Balloon Educational Trust

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, for our audit work, for this report, or for the opinions we have formed.



Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of
PRICE BAILEY LLP
Chartered Accountants
Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: **30 May 2023**

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Restricted £	Unrestricted £	2022 Total £	2021 Total £
INCOME					
Donations and grants	2	350,802	255,358	606,160	652,670
Charitable activities	3	-	1,524,001	1,524,001	2,718,321
Other trading activities	4	31,025	116,425	147,450	390
Investment income	5	2	125,301	125,303	81,003
Other income	6	-	1,537	1,537	8,449
Total income		**381,829**	**2,022,622**	**2,404,451**	**3,460,833**
EXPENDITURE					
Costs of raising funds	7	(30,130)	(40,511)	(70,641)	(89,737)
Charitable activities	7	(168,326)	(1,928,757)	(2,097,083)	(2,522,495)
Donation on disposal of subsidiaries	7,26	-	-	-	(850,188)
Total expenditure		**(198,456)**	**(1,969,268)**	**(2,167,724)**	**(3,462,420)**
Net (expenditure) / income in the year and net movement in funds before gains and losses on investments		**183,373**	**53,354**	**236,727**	**(1,587)**
Net (losses)/gains on investments	16	-	(8,373)	(8,373)	7,466
Net income in the year		**183,373**	**44,981**	**228,354**	**5,879**
Transfer between funds		(153,013)	153,013	-	-
Net movement in funds		**30,360**	**197,994**	**228,354**	**5,879**
Reconciliation of funds:					
Total funds brought forward	22b	192,023	2,353,875	2,545,898	2,540,019
Total funds carried forward	22a	**222,383**	**2,551,869**	**2,774,252**	**2,545,898**

All amounts relate to continuing activities of the company.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 48 to 69.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible fixed assets	14	5,167	10,335
Tangible fixed assets	15	980,089	17,665
Fixed asset investments	16	-	185,874
Programme related investments	17	1,972,881	2,720,104
TOTAL FIXED ASSETS		**2,958,137**	**2,933,978**
CURRENT ASSETS			
Debtors: amounts falling due within one year	18	213,926	242,839
Programme related investments	17	700,000	-
Cash at bank and in hand		1,135,061	1,072,932
TOTAL CURRENT ASSETS		**2,048,987**	**1,315,771**
LIABILITIES			
Creditors: amounts falling due within one year	19	(372,666)	(394,487)
NET CURRENT ASSETS		**1,676,321**	**921,284**
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,634,458**	**3,855,262**
Creditors: amounts falling due after more than one year	20	(1,860,206)	(1,309,364)
TOTAL NET ASSETS		**2,774,252**	**2,545,898**
FUNDS OF THE CHARITY			
Unrestricted funds:			
-General funds	22a	785,520	927,214
-Designated funds	22a	1,766,349	1,426,661
Restricted funds	22a	222,383	192,023
TOTAL FUNDS		**2,774,252**	**2,545,898**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 48 to 69 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 18 May 2023 and signed on their behalf by:



Beverley Wiliams - Trustee



Nicholas Munday - Trustee

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
CHARITY BALANCE SHEET
AS AT 31 AUGUST 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible fixed assets	14	5,167	10,335
Tangible fixed assets	15	980,089	904
Fixed asset investments	16	-	185,874
Programme related investments	17	1,972,881	2,720,104
TOTAL FIXED ASSETS		**2,958,137**	**2,917,217**
CURRENT ASSETS			
Debtors: amounts falling due within one year	18	213,521	146,938
Programme related investments	17	700,000	-
Cash at bank and in hand		1,110,681	531,985
TOTAL CURRENT ASSETS		**2,024,202**	**678,923**
LIABILITIES			
Creditors: amounts falling due within one year	19	(378,686)	(151,119)
NET CURRENT ASSETS		**1,645,516**	**527,804**
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,603,653**	**3,445,021**
Creditors: amounts falling due after more than one year	20	(1,860,206)	(1,309,364)
TOTAL NET ASSETS		**2,743,447**	**2,135,657**
FUNDS OF THE CHARITY			
Unrestricted funds:			
-General funds	22a	754,715	556,906
-Designated funds	22a	1,766,349	1,409,900
Restricted funds	22a	222,383	168,851
TOTAL FUNDS		**2,743,447**	**2,135,657**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 48 to 69 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 18 May 2023 and signed on their behalf by:

R A Williams

N. Munday

Beverley Williams - Trustee

Nicholas Munday - Trustee

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
Cash Flows from Operating Activities			
Net cash provided by / (used in) operating activities	27	293,111	(49,430)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(981,409)	(43,214)
Proceeds from sales of property, plant and equipment		2,968	-
Proceeds from sales of fixed asset investments		177,114	-
Net cash used in Investing Activities		**(801,327)**	**(43,214)**
Cash Flows from Financing Activities			
Borrowing – mortgage on 37 High Street		600,000	-
Repayments of borrowing		(29,655)	(24,083)
Net cash used in Financing Activities		**(570,345)**	**(24,083)**
Change in cash and cash equivalents in the reporting period		**62,129**	**(116,727)**
Cash and cash equivalents at the beginning of the reporting period	28	1,072,932	1,189,659
Cash and cash equivalents at the end of the reporting period	28	**1,135,061**	**1,072,932**

The attached notes on pages 48 to 69 form part of these financial statements.

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), Charities SORP (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis and are presented in sterling, which is the functional currency of the Charity.

The financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. See further details of subsidiary entities in note 26.

At the start of the prior year, the Red Balloon group consisted of Red Balloon of the Air, Red Balloon Learner Centres Reading and Cambridge. During 2020-21, Red Balloon Learner Centres Reading and Cambridge ceased to be consolidated, due to the FRS102 definition of control no longer being met. Together with Red Balloon of the Air, they were included in the group results up to their respective disposal dates, as required by UK accounting standards. On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to a lease on a property, were transferred to the Charity. The group results for 2021-22 include Red Balloon of the Air, as required by UK accounting standards. See note 26.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) Going Concern

The Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

c) Legal status of the Charity

The Charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page 37. The number of members during the year was 5 (2021: 5). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity (2021: £10 per member).

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

d) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

e) Income

All income is included in the Statement of Financial Activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities relates to school fee income which is invoiced in advance at the start of each term. Fee income is recognised on a monthly basis as teaching occurs and fees received for future months are deferred as shown in note 19.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Donations, grants and gifts are recognised when receivable. In the event that a grant is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates and recognised in income in the year. Any Gift Aid amounts not received by the year end are accounted for in income and accrued income in debtors.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which:

- the Charity is aware that probate has been granted; and
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Charity. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

f) Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs have been allocated between governance costs and other support costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Governance and support costs have been apportioned between all activities based on staff time and use of the resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

g) Intangible fixed assets and amortisation

Intangible fixed assets are valued at historical cost. Amortisation is provided on all intangible fixed assets on a straight-line basis and are written off over their useful economic life. Amortisation rates are as follows:

Website	25% straight line

Assets are assessed for impairment at each balance sheet date. Any impairment value is recognised immediately in the statement of financial activities.

h) Tangible fixed assets and depreciation

Tangible fixed assets are valued at historical cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual values, over their expected useful lives as follows:

Office equipment	33% straight line
Fixtures & fittings	20% straight line
Computer equipment	33% straight line (2021: 50% straight line)
Leasehold improvements	10% straight line or over the lease term if less than 10 years
Buildings	2% straight line
Freehold land	Not depreciated

Assets are reviewed for any indications of impairment at each balance sheet date.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due. Concessionary loans received at below market rates are received in order to further the charitable objects of the organisation and are therefore included at the amount received and are not discounted.

l) Financial instruments

The Charity mostly has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at cost which is their fair value. The Charity also held some quoted investments with Investec which were revalued to market value at each balance sheet date; gains or losses are taken to the income statement as detailed in note 16. When the investments are expected to be held for a period greater than 12 months, they are classified in the balance sheet under Fixed Assets. Included within creditors are property mortgages which are valued on the basis of cost using the effective interest rate method. Further details are in note 20.

m) Pensions

Employees of the charity are entitled to join a defined contribution pension scheme, the assets of which are administered by NEST. The charity contribution is restricted to the contributions disclosed in note 12.

n) Operating leases

Operating leases are recognised over the period of which the lease falls due on a straight-line basis.

o) Taxation

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

p) Programme related investments

Programme related investments consist of properties rented to Red Balloon Centres. They are held at cost less any provision for impairment.

q) Investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

r) Significant Estimates and Judgements

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

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. These include depreciation, debtor recoverability and bad debts. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Donations and grants

	2022 £	2021 £
Donations	317,773	382,040
Legacies	-	12,046
Grants	288,387	258,584
	606,160	652,670

Included within donations received are restricted funds of £178,346 (2021: £19,759) and unrestricted funds of £139,427 (2021: £362,281). All legacies received in the prior year relate to restricted funds. Included within grants received are restricted funds of £172,456 (2021: £187,171) and unrestricted funds of £115,931 (2021: £71,413).

3 Income from Charitable Activities

	2022 £	2021 £
Levies and recharges to Red Balloon Centres	48,969	27,798
Teaching and support of bullied children	1,475,032	2,690,523
	1,524,001	2,718,321

All income from charitable activities was attributable to unrestricted funds in both the current and prior year.

4 Other trading activities

	2022 £	2021 £
Fundraising events	147,450	390
	147,450	390

Included within fundraising income are restricted funds of £31,025 (2021: £Nil) and unrestricted funds of £116,425 (2020: £390). A Giving Dinner event was held in October 2021, at which donors made pledges totalling £142,575 (2021: £Nil).

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5 Investment income

	2022 £	2021 £
Rents received	123,000	79,125
Dividends	1,454	1,765
Deposit account interest	849	113
	125,303	81,003

Included within investment income are restricted funds of £2 (2021: £10). All remaining investment income relate to unrestricted funds.

6 Other income

	2022 £	2021 £
Government grants	-	8,449
Profit on sale of fixed assets	1,537	-
	1,537	8,449

Government grants received in the prior year were wholly in relation to the Coronavirus Job Retention Scheme, which were unrestricted funds. There were no unfilled conditions in relation to the government grants at the year end (2021: None).

7 Analysis of expenditure by activity – current year

	Direct costs £	Grant funding £ (note 10)	Support costs £ (note 8)	2022 costs £
Costs of raising funds	40,716	-	29,925	70,641
Charitable activities:				
Advance the education of students at Red Balloon Centres	289,961	33,767	193,244	516,972
Teaching and support of bullied children	1,429,218	-	150,893	1,580,111
	1,719,179	33,767	344,137	2,097,083
	1,759,895	33,767	374,062	2,167,724

Analysis of expenditure by activity – prior year

	Direct costs £	Grant funding £ (note 10)	Support costs £ (note 8)	2021 costs £
Costs of raising funds	65,000	-	24,737	89,737
Charitable activities:				
Advance the education of students at Red Balloon Centres	222,573	7,700	157,778	388,051
Teaching and support of bullied children	2,007,745	-	126,699	2,134,444
	2,230,318	7,700	284,477	2,522,495
Donation on disposal of subsidiaries	850,188	-	-	850,188
	3,145,506	7,700	309,214	3,462,420

Expenditure in 2022 related to restricted funds was £198,456 (2021: £278,732) and unrestricted funds was £1,969,268 (2021: £3,183,688).

8 Analysis of support costs

	2022 £	2021 £
Finance and professional	155,478	109,870
Bank charges	887	1,062
Communication	16,013	20,104
Insurance	32,344	24,501
Rent and rates	52,890	43,214
Repairs and maintenance	14,041	13,001
General office expenses	2,886	7,203
Staff costs	65,638	57,275
Governance costs (note 9)	33,885	32,984
	374,062	309,214

9 Analysis of governance costs

	2022 £	2021 £
Auditors' fees		
- for audit services	26,308	22,340
- for non-audit services	7,577	6,424
Accountancy fees	-	4,220
	33,885	32,984

All expenditure on governance costs is spent from unrestricted funds in 2022 and 2021.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10 Grants to individuals

	Number	Total 2022 £	Number	Total 2021 £
Bursaries	8	33,767	4	7,700

The average bursary per student in 2022 was £4,221 (2021: £1,925). The increase was due to all bursaries awarded in the prior year being for only a part of the year.

11 Analysis of staff costs and key management personnel

	2022 £	2021 £
Wages and salaries	1,366,532	1,831,594
Social security costs	106,962	141,691
Pension	27,539	41,506
	1,501,033	2,014,791

The average monthly head count during the year was as follows:	2022 Number	2021 Number
Charitable activities	72	102

The number of higher paid employees was as follows:	2022 Number	2021 Number
In the band £60,000 - £70,000	1	-

The employers pension contributions in relation to the above higher paid employees was £1,321 (2021: £Nil).

The charity considers its key management personnel to comprise of 4 people (3 people in the prior year). Total aggregate remuneration of key management personnel was £201,580 (2021: £186,501). During the year, £5,929 (2021: £Nil) of the employment benefit of these were paid by Red Balloon of the Air and £195,651 (2021: £186,501) were paid by the parent company, Red Balloon Educational Trust.

Total termination payments made were £7,893 (2021: £3,000).

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2021: £Nil). Expenses paid to the trustees in the year totalled £105 (2021: £Nil). These expenses were in relation to 1 trustee reimbursed for their travel expenses of £79 (2021: £Nil) and fees for their documents certification required by the Charity of £26 (2021: £Nil).

12 Pension costs

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £27,539 (2021: £41,506). No pension contributions (2021: £976) were payable to the fund at the balance sheet date.

13 Net (expenditure) / income

	2022 £	2021 £
Net (expenditure) / income is stated after charging:		
Amortisation of intangible assets owned by the charity	5,168	5,167
Depreciation of charitable assets owned by the group	17,456	62,492
(Profit) on sale of fixed assets	(1,537)	-
Loss on sale of fixed assets	98	-
Operating lease payments for land and buildings	116,444	89,175
Donation on disposal of subsidiaries	-	850,188
Loss on fixed assets arising on disposal of subsidiaries	-	75,840
Depreciation eliminated on reclassification of fixed assets to programme related investments on disposal of subsidiaries	-	(58,362)
Impairment of programme related investment	47,223	-
Auditors remuneration:		
- for audit services	26,308	22,340
- for non-audit services	7,577	6,424

14 Intangible fixed assets

Group and Charity	Website £
Cost:	
At 1 September 2021	20,670
Additions	-
At 31 August 2022	20,670
Amortisation:	
At 1 September 2021	10,335
Charge for the year	5,168
At 31 August 2022	15,503
Net book value:	
At 31 August 2021	10,335
At 31 August 2022	5,167

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15 Tangible fixed assets

Group	Land and buildings £	Leasehold improvements £	Fixtures & fittings, office and computer equipment £	Total £
Cost:				
At 1 September 2021	-	39,245	147,851	187,096
Additions	912,221	42,949	26,239	981,409
Disposals	-	(39,245)	(132,271)	(171,516)
At 31 August 2022	912,221	42,949	41,819	996,989
Depreciation:				
At 1 September 2021	-	39,245	130,186	169,431
Charge for the year	5,040	2,070	10,346	17,456
Eliminated on disposals	-	(39,245)	(130,742)	(169,987)
At 31 August 2022	5,040	2,070	9,790	16,900
Net book value:				
At 31 August 2021	-	-	17,665	17,665
At 31 August 2022	907,181	40,879	32,029	980,089
Charity				
Cost:				
At 1 September 2021	-	39,245	10,082	49,327
Additions	912,221	42,949	42,330	997,500
Disposals	-	(39,245)	(10,593)	(49,838)
At 31 August 2022	912,221	42,949	41,819	996,989
Depreciation:				
At 1 September 2021	-	39,245	9,178	48,423
Charge for the year	5,040	2,070	9,602	16,712
Eliminated on disposals	-	(39,245)	(8,990)	(48,235)
At 31 August 2022	5,040	2,070	9,790	16,900
Net book value:				
At 31 August 2021	-	-	904	904
At 31 August 2022	907,181	40,879	32,029	980,089

Land and buildings additions in Group and the Charity is in respect of 37 High Street, Milton, which was purchased in April 2022.

Outstanding mortgage of £594,667 (2021: £Nil) in relation to the property is secured on the property included in land and buildings in Group and the Charity.

16 Fixed asset investments

Group and Charity	2022 £	2021 £
Investments are allotted to each range as follows:		
UK Unit Trust	-	17,743
Equities	-	46,996
Listed Investments	-	64,739
Cash	-	121,135
	-	185,874

LISTED INVESTMENTS	2022 £	2021 £
At market value:		
Quoted at 1 September	64,739	57,273
Additions - donated investments	213	-
(Losses)/Gains on investments	(8,373)	7,466
Disposal	(56,579)	-
At 31 August	-	64,739
Historical cost of investment	-	52,605

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17 Programme Related Investments

Properties rented to other Red Balloon Centres:	Group £	Charity £
Cost or valuation:		
At 31 August 2021	2,720,104	2,720,104
Impairment	(47,223)	(47,223)
At 31 August 2022	2,672,881	2,672,881
Net book value:		
At 31 August 2021	2,720,104	2,720,104
At 31 August 2022	2,672,881	2,672,881

Programme related investments represented by:

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
76 Earlham Road, Norwich	700,740	700,740	700,740	700,740
220-222 Kings Road, Reading	545,762	545,762	545,762	545,762
13 Kenton Road, Harrow	700,000	747,223	700,000	747,223
57 Warkworth Terrace, Cambridge	726,379	726,379	726,379	726,379
Total	2,672,881	2,720,104	2,672,881	2,720,104

Outstanding mortgages of £1,297,121 (2021: £1,321,443) in Group and in the Charity in relation to the properties are secured on the properties listed above.

£700,000 (2021: £Nil) and £1,972,881 (2021: £2,720,104) of the programme related investments are included within current and fixed assets respectively. The property at 13 Kenton Road, Harrow is included in current assets as it was sold to Red Balloon Learner Centre NW London and the mortgage repaid in September 2022 for £700,000.

Impairment of £47,223 is in relation to this property.

18 Debtors: amounts falling due within one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	76,469	94,995	76,469	-
Amounts owed by group undertakings	-	-	968	34,758
Amounts owed by other Red Balloon Centres	9,257	30,234	9,257	8,333
Prepayments and accrued income	103,516	92,796	102,143	79,303
Rent deposit	24,544	24,544	24,544	24,544
Other debtors	140	270	140	-
	213,926	242,839	213,521	146,938

19 Creditors: amounts falling due within one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	21,652	87,752	21,652	84,364
Amounts owed to group undertakings	-	-	14,642	4,286
Amounts owed to other Red Balloon centres	1,216	9,120	1,216	8,680
Social security and other taxes	26,489	23,026	26,489	6,837
Other creditors and accruals	71,591	45,420	62,969	24,141
Deferred income	209,404	206,358	209,404	-
Mortgages due within one year	42,314	22,811	42,314	22,811
	372,666	394,487	378,686	151,119

Deferred income

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Deferred income at 1 September	206,358	471,590	-	-
Resources deferred during the year	209,404	206,358	209,404	-
Amounts released from previous years	(206,358)	(471,590)	-	-
Deferred income at 31 August	209,404	206,358	209,404	-

Deferred income relates to school autumn term fees, being unrestricted income, invoiced in advance of £209,404 (2021: £206,358).

20 Creditors: amounts falling due after more than one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Mortgages	1,849,474	1,298,632	1,849,474	1,298,632
Amounts owed to other Red Balloon centres	10,732	10,732	10,732	10,732
	1,860,206	1,309,364	1,860,206	1,309,364

Creditors: amounts falling due after more than one year include amounts not wholly repayable within 5 years as follows:

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Due within 2-5 years	204,341	111,868	204,341	111,868
Due after more than 5 years	1,655,865	1,197,496	1,655,865	1,197,496
	1,860,206	1,309,364	1,860,206	1,309,364

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Mortgages are secured on the properties concerned. In addition, there is a debenture in relation to the Milton property mortgage, which contains a floating charge and a negative pledge.

The mortgages for the Cambridge, Harrow and Norwich properties are with The Cambridge Building Society, the Reading property with Saffron Building Society and the Milton property with CAF Bank. The mortgages are interest only, except for the Milton property and 61% (2021: 65%) of the balance outstanding at the year end on the Cambridge property.

The rates at the year end were as follows:	2022 %	2021 %
76 Earlham Road, Norwich	5.64	4.74
220-222 Kings Road, Reading	6.19	5.39
13 Kenton Road, Harrow	5.64	4.74
57 Warkworth Terrace, Cambridge	5.64	4.74
37 High Street, Milton	4.23	-

The mortgage interest on the Milton property is fixed for the first five years (commencement 6 April 2022). All other mortgages are on variable interest rates.

21 Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings Group		Land and Buildings Charity	
	2022 £	2021 £	2022 £	2021 £
Within one year	21,189	54,489	11,977	40,984
Within two to five years	120,897	22,718	120,897	-
After more than five years	181,425	-	181,425	-
	323,511	77,207	314,299	40,984

With the agreement of Red Balloon of the Air, Red Balloon Educational Trust issued the landlord of Winship House with notice in February 2021 that Red Balloon had exercised its right under the terms of the lease to initiate the break clause allowing the lease term to end on 28 September 2021.

A Deed of Variation was signed in September 2021, allowing Red Balloon of the Air and the Charity to remain in the property beyond this date on 4 months notice. The earliest date on which the tenancy could have ended under the new terms was 1 February 2022. 4 months notice was issued in April 2022 and the lease ended in August 2022.

In March 2022, a 15 year lease was enacted for a property at 52-54 Windsor Road, Worthing. Red Balloon Worthing, a new Centre, opened to students at these premises in September 2022. See note 25 Related Party Transactions.

In April 2023, Red Balloon of the Air signed a Deed of Surrender on the Danbury property lease and Red Balloon Educational Trust signed a new 5 year lease for the property. See note 24.

22a Funds analysis – current year

Group	Balance at 1/9/2021 £	Income £	Gains and losses & Expenditure £	Transfers £ (note 22c)	Balance at 31/8/2022 £
General Funds	927,214	2,022,622	(1,930,418)	(233,989)	785,520
Designated Funds:					
- Intangible & tangible fixed assets	28,000	-	-	362,589	390,589
- Programme related investments	1,398,661	-	(47,223)	24,322	1,375,760
Total unrestricted funds	2,353,875	2,022,622	(1,977,641)	153,013	2,551,869
Restricted funds					
Bursaries	101,941	17,246	(33,775)	-	85,412
Funding for staff training	32,396	-	(2,285)	-	30,111
Funding to further develop and expand the Red Balloon provision	30,290	62,804	(26,418)	(48,763)	17,913
Other restricted donations for IT and other equipment, teachers, interns etc	27,396	123,279	(115,016)	(212)	35,447
37 High Street, Milton property & refurbishment	-	178,500	(20,962)	(104,038)	53,500
Total restricted funds	192,023	381,829	(198,456)	(153,013)	222,383
Total funds	2,545,898	2,404,451	(2,176,097)	-	2,774,252
Charity					
General Funds	556,906	1,898,331	(1,561,565)	(138,957)	754,715
Designated Funds:					
- Intangible & tangible fixed assets	11,239	-	-	379,350	390,589
- Programme related investments	1,398,661	-	(47,223)	24,322	1,375,760
Total unrestricted funds	1,966,806	1,898,331	(1,608,788)	264,715	2,521,064
Restricted funds					
Bursaries	101,941	17,246	(33,775)	-	85,412
Funding for staff training	32,396	-	(2,285)	-	30,111
Funding for expansion of the Red Balloon provision	16,898	74,738	(24,960)	(48,763)	17,913
Other restricted donations for IT and other equipment, teachers, interns etc	17,616	132,482	(114,439)	(212)	35,447
37 High Street, Milton property & refurbishment	-	178,500	(20,962)	(104,038)	53,500
RBAir education activity	-	340,275	(228,573)	(111,702)	-
Total restricted funds	168,851	743,241	(424,994)	(264,715)	222,383
Total funds	2,135,657	2,641,572	(2,033,782)	-	2,743,447

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22b Funds analysis – prior year

Group	Balance at 1/9/2020 £	Income £	Gains and losses & Expenditure £	Transfers £ (note 22c)	Balance at 31/8/2021 £
General Funds	842,044	3,241,847	(3,176,222)	19,545	927,214
Designated Funds:					
- Intangible & tangible fixed assets	754,179	-	-	(726,179)	28,000
- Programme related investments	690,322	-	-	708,339	1,398,661
Total unrestricted funds	2,286,545	3,241,847	(3,176,222)	1,705	2,353,875
Restricted funds					
Bursaries	112,013	5,443	(29,412)	13,897	101,941
Funding for staff training	33,033	-	(637)	-	32,396
Funding to further develop and expand the Red Balloon provision	43,062	26,387	(39,159)	-	30,290
Other restricted donations for IT and other equipment, teachers, interns etc	65,366	187,156	(209,524)	(15,602)	27,396
Total restricted funds	253,474	218,986	(278,732)	(1,705)	192,023
Total funds	2,540,019	3,460,833	(3,454,954)	-	2,545,898
Charity					
General Funds	308,899	747,980	(511,642)	11,669	556,906
Designated Funds:					
- Intangible & tangible fixed assets	46,991	-	-	(35,752)	11,239
- Programme related investments	1,374,578	-	-	24,083	1,398,661
Total unrestricted funds	1,730,468	747,980	(511,642)	-	1,966,806
Restricted funds					
Bursaries	104,310	5443	(7,812)	-	101,941
Funding for staff training	33,033	-	(637)	-	32,396
Other restricted donations for IT and other equipment, teachers, interns etc	24,628	77,292	(84,304)	-	17,616
Funding for expansion of the Red Balloon provision	6,944	25,014	(15,060)	-	16,898
Total restricted funds	168,915	107,749	(107,813)	-	168,851
Total funds	1,899,383	855,729	(619,455)	-	2,135,657

22c Funds analysis – fund types

During the year, there were net transfers from restricted to unrestricted funds of £153,013 (2021: £1,705) in Group and £264,715 (2021: £Nil) in the Charity.

£366,412 is included within restricted income in the Charity in the current year in relation to the funds transferred from Red Balloon of the Air on 12 October 2021, the date on which the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to a lease on the Danbury property, were transferred to the Charity. £26,137 of this was restricted in Red Balloon of the Air and £340,275 was unrestricted in Red Balloon of the Air, which became restricted on transfer. £111,702 was used as RBAir's contribution to the purchase of the Milton property and therefore transferred from restricted to unrestricted (designated) funds. The remaining £228,573 was spent on RBAir salaries.

In the Group in the current year, £153,013 was transferred from restricted to unrestricted funds in relation to capital expenditure as the restrictions were satisfied upon the purchase of the assets. £100,000 for the purchase of the Milton property, £42,949 for leasehold improvements at the Worthing property and £10,064 for fixtures & fittings.

In the Charity in the current year, £264,715, including the £111,702 RBAir contribution to the Milton property, was transferred from restricted to unrestricted funds in relation to capital expenditure as the restrictions were satisfied upon the purchase of the assets. £211,702 in total for the purchase of the Milton property, £42,949 for leasehold improvements at the Worthing property and £10,064 for fixtures & fittings.

In the Group in the prior year, £13,897 was transferred from unrestricted to restricted funds in Red Balloon Learner Centre Reading, as approved by the Reading Trustees in Mar 2021, to the Bursaries fund.

Also in the Group in the prior year, £15,000 was transferred from restricted to unrestricted funds in relation to a restricted grant for a minibus at Red Balloon Learner Centre Reading. The restriction was satisfied upon the purchase of the vehicle and the fund transferred to unrestricted. Similarly, a further £602 was transferred from restricted to unrestricted funds in relation to a grant for a garden extension at Red Balloon Learner Centre Cambridge.

£54,451 is included within restricted expenditure in the Group in the prior year in relation to the disposal of subsidiaries. £35,434 in relation to Red Balloon Learner Centre Reading and £19,017 related to Red Balloon Learner Centre Cambridge.

Restricted Funds

- Bursaries fund – Grants and donations received to enable the charity to directly support individual students at Red Balloon of the Air and Red Balloon Learner Centres.
- Staff training and development fund – Funds awarded for general staff development and for the staff conference.
- Red Balloon Development and Expansion fund – funds awarded to help with the growth and development of Red Balloon of the Air and the Red Balloon Learner Centres, including grants totalling over £38,000 (2021: over £17,000) for the establishment of a new centre in Worthing.
- Other restricted donations fund – Individual grants and donations for specific resources. These have contributed towards the purchase of laptops and other educational resources, as well as funding certain teaching, managerial and administration posts.
- 37 High Street, Milton property & refurbishment – Grants and donations received to either contribute towards the purchase or enable the move and for property improvements/adjustments at the new Milton property.
- RBAir education activity – Funds which were unrestricted in Red Balloon of the Air which became restricted to the RBAir provision, on transfer to the Charity (see above).

Designated Funds used for the purposes of fixed assets

- These represent the net book value of intangible fixed assets, tangible fixed assets and of programme related investments at the year end, after deducting outstanding mortgages due on the properties.

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23a Analysis of net assets by funds – current year

Group	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	-	5,167	5,167
Tangible fixed assets	-	980,089	980,089
Programme related investments	-	2,672,881	2,672,881
Current assets	222,383	1,126,604	1,348,987
Creditors due within one year	-	(372,666)	(372,666)
Creditors due in more than one year	-	(1,860,206)	(1,860,206)
	222,383	2,551,869	2,774,252

Charity	£	£	£
Intangible fixed assets	-	5,167	5,167
Tangible fixed assets	-	980,089	980,089
Programme related investments	-	2,672,881	2,672,881
Current assets	222,383	1,101,819	1,324,202
Creditors due within one year	-	(378,686)	(378,686)
Creditors due in more than one year	-	(1,860,206)	(1,860,206)
	222,383	2,521,064	2,743,447

23b Analysis of net assets by funds – prior year

Group	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	-	10,335	10,335
Tangible fixed assets	-	17,665	17,665
Fixed asset investments	-	185,874	185,874
Programme related investments	-	2,720,104	2,720,104
Current assets	192,023	1,123,748	1,315,771
Creditors due within one year	-	(394,487)	(394,487)
Creditors due in more than one year	-	(1,309,364)	(1,309,364)
	192,023	2,353,875	2,545,898

Charity	£	£	£
Intangible fixed assets	-	10,335	10,335
Tangible fixed assets	-	904	904
Fixed asset investments	-	185,874	185,874
Programme related investments	-	2,720,104	2,720,104
Current assets	168,851	510,072	678,923
Creditors due within one year	-	(151,119)	(151,119)
Creditors due in more than one year	-	(1,309,364)	(1,309,364)
	168,851	1,966,806	2,135,657

24 Events after the balance sheet date

On 30 September 2022, the lease of the property at 76 Earlham Road, included in property related investments to Red Balloon Norwich ended and the property returned to Red Balloon Educational Trust. The Charity plans to open a new Centre at Earlham Road in 2024 and preparations are underway.

In April 2023, Red Balloon of the Air signed a Deed of Surrender on the Danbury property lease and Red Balloon Educational Trust signed a new 5 year lease for the property. The lease end date on the Red Balloon of the Air lease was 7 May 2024. The lease term on the Red Balloon Educational Trust is from 5 April 2023 to 4 April 2028. The remaining assets and liabilities of Red Balloon of the Air will be transferred to Red Balloon Educational Trust, and Red Balloon of the Air will become dormant after the next year end, 31 August 2023.

25 Related party transactions

Analysis of Red Balloon related parties – current year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon of the Air	968	14,642	24,932	25,721
Red Balloon Norwich	9,257	351	124,900	-
Red Balloon Reading	-	29	40,146	-
Red Balloon Cambridge	-	11,528	69,227	-
Red Balloon NW London	-	40	106,753	-
	10,225	26,590	365,958	25,721

Analysis of Red Balloon related parties – prior year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon of the Air	34,758	4,286	187,202	11,696
Red Balloon Norwich	1,334	-	39,415	-
Red Balloon Reading	-	122	34,106	-
Red Balloon Cambridge	5,666	19,250	50,212	450
Red Balloon NW London	1,333	40	44,860	-
	43,091	23,698	355,795	12,146

Red Balloon of the Air was a fully owned subsidiary for the full year (2021: full year). On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to their lease on the Danbury property, were transferred to its parent company, Red Balloon Educational Trust.

Red Balloon Learner Centre Cambridge and Red Balloon Learner Centre Reading were wholly owned subsidiaries for part of the prior year.

See note 26.

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In March 2022, the Charity entered into a lease agreement for a property at 52-54 Windsor Road, Worthing with Solewild Ltd, a company in which Mr N Munday, who was appointed as a Trustee of Red Balloon Educational Trust on 5 October 2022, is the sole Director. During the year the Charity incurred expenditure totalling £9,738 (2021: £Nil) in relation to Solewild Ltd, which includes rent of £7,100 (2021:£Nil) and £2,638 (2021: £Nil) for other Worthing property related costs, including insurance. At the year end, a balance of £4,777 was owed by the Charity to Solewild Ltd, included in trade creditors. Prepayments of £2,400 (2021: £Nil) and an accrual for the lease incentive of £5,521 (2021: £Nil) are also recorded at the year end.

There are no other related party transactions to note.

26 Principal subsidiaries and subsidiaries disposed in the prior year

The following were 100% owned subsidiary undertakings of the Charity at the start of the year:

Company name	Country	Company Number	Charity Number
Red Balloon of the Air	England and Wales	07328440	1138657

The following were 100% owned subsidiary undertakings of the Charity at the start of the prior year:

Company name	Country	Company Number	Charity Number
Red Balloon of the Air	England and Wales	07328440	1138657
Red Balloon Learner Centre Cambridge	England and Wales	10978174	1175826
Red Balloon Learner Centre Reading	England and Wales	07150417	1136446

Red Balloon of the Air is a company limited by guarantee and a registered charity. Total funds as at 31 August 2022 were £30,805 (2021: £410,243), which comprised of assets of £40,395 (2021: £709,992) and liabilities of £9,590 (2021: 299,749). The charity had income during the year of £176,141 (2021: £1,635,836) and expenditure of £555,577 (2021: £1,414,832), giving net expenditure for the year ended 31 August 2022 of £379,436 (2021: net income £221,004).

On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air, except for those in relation to a lease on the Danbury property, were transferred to the Charity. £366,412 is included in Red Balloon of the Air's expenditure during the year, which represents the donation made by Red Balloon of the Air to Red Balloon Educational Trust on transfer. These funds were received in the Charity as restricted income (see note 22c).

During the prior year, Red Balloon Learner Centre Cambridge and Red Balloon Learner Centre Reading ceased to be consolidated, due to the FRS102 definition of control no longer being met. Control was lost on 11 May 2021 and 19 May 2021 respectively, the dates on which other members were appointed and Red Balloon Educational Trust, therefore, ceased to be the sole member.

Red Balloon Learner Centre Cambridge is a company limited by guarantee and a registered charity. It was consolidated up to and including 11 May 2021 in the prior year and its reserves on 11 May 2021 of £446,764 were taken to expenditure during 2020-21 (£19,017 restricted and £427,747 unrestricted) which represented the net assets on ceasing to be a group member. Its net assets were £241,701 at the start of the prior year. The charity had income during the consolidated period, between 1 September 2020 and 11 May 2021, of £718,334 and expenditure of £513,271, giving net income, included in the group results for the prior period of £205,063.

Red Balloon Learner Centre Reading is a company limited by guarantee and a registered charity. It was consolidated up to and including 19 May 2021 in the prior year and its reserves on 19 May 2021 of £403,424 were taken to expenditure during 2020-21 (£35,434 restricted and £367,990 unrestricted) which represented the net assets on ceasing to be a group member. Its net assets were £251,892 at the start of the prior year. The charity had income during the consolidated period, between 1 September 2020 and 19 May 2021, of £536,069 and expenditure of £384,537, giving net income, included in the group results for the prior period of £151,532.

27 Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)	**228,354**	**5,879**
Adjustments for:		
Amortisation charges	5,168	5,167
Depreciation charges	17,456	62,492
Net Profit on disposal of tangible fixed assets	(1,439)	-
Loss on tangible fixed assets arising on disposal of subsidiaries	-	75,840
Depreciation eliminated on reclassification to programme related investments on disposal of subsidiaries	-	(58,362)
Impairment of programme related investments	47,223	-
Losses/(Gains) on investments	8,373	(7,466)
Investment management charges	600	599
Donation as investments	(213)	-
Decrease in debtors	28,913	111,601
Decrease in creditors	(41,324)	(245,180)
Net cash provided by/(used in) operating activities	**293,111**	**(49,430)**

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28 Analysis of changes in net debt

	Balance at 1/9/2021 £	Cash flows £	Other non-cash changes £	Balance at 31/8/2022 £
Cash and cash equivalents:				
Cash	1,072,932	62,129	-	1,135,061
Borrowings:				
Debt due within one year	(22,811)	24,322	(43,825)	(42,314)
Debt due after one year	(1,298,632)	(594,667)	43,825	(1,849,474)
	(1,321,443)	(570,345)	-	(1,891,788)
Total	(248,511)	(508,216)	-	(756,727)

Borrowings relate to mortgages on the 5 (2021: 4) properties owned by Red Balloon Educational Trust.



Red Balloon Educational Trust
(a company limited by guarantee)

Annual Report and Financial Statements
for the year ended 31 August 2022

Registration No. 5385341
(England and Wales)
Charity No. 1109606

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Red Balloon Educational Trust

England & Wales - Charity number 1109606

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Charity no: 1109606

www.redballoonlearner.org

Registered with FUNDRAISING REGULATOR

Red Balloon Educational Trust

(Formerly known as Red Balloon Learner Centre Group)

Annual Report 2020/21



Red Balloon LEARNER CENTRES
For the recovery of bullied children

“

Before starting Red Balloon I was worried about who would be there and whether I'd be able to make any friends. I was also worried about the teachers. But I remember on my first day at the Centre I got a very warm welcome, and the worries I had left fast. I liked the other students at the Centre; they were friendly, funny, sporty. My biggest achievement at Red Balloon was probably making friends.

”

Mary-Jane,
Red Balloon Reading



For young people like Mary-Jane, student life in mainstream schools can be anxiety-provoking, lonely and isolating. It can prevent growth and learning. Red Balloon helps them get their confidence back and sets them on the path to fulfilment and sucess.

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Introduction from the Chair

This past year Red Balloon celebrated its 25th Anniversary. As we reflected on our achievements and growth, we simultaneously began looking at the future direction of Red Balloon. From this has sprung a new name and image. Red Balloon Learner Centre Group and Red Balloon of the Air have merged under one charity name: Red Balloon Educational Trust.

All teaching provisions and day-to-day operations will remain exactly the same at each local Centre and Air, but the shared name and charity number will allow resources to be better allocated to where they are needed most. Red Balloon's central administrative team will now be streamlined so each Centre can focus more on what they do best: helping young people recover.

We are also looking to move. Like many this year, we've found that we don't need as large an office space to be effective in our work. Red Balloon Educational Trust has purchased a property in Cambridgeshire for both staff and students from RBAir and the central administrative team.

The purchase of a property with a mortgage will reduce the amount of money we have been paying in rent by almost 50%. This property also provides dedicated spaces for students to do practical workshops such as art, living skills, domestic science, counselling in person if necessary, meet for social gatherings, as well as having a professional space for staff training and meetings with commissioners and parents.

It's an exciting move with far-reaching benefits, and we look forward to sharing news of our new offices with you in the future.

This year we have also progressed towards our goal to reach more isolated and vulnerable children by beginning the expansion of our provision into West Sussex. We have begun establishing a new Centre in Worthing, supported by the purchase of new premises by a generous donor, and Red Balloon of the Air has moved swiftly to support young people in this area.

The new Centre building is currently being refurbished but will be open for students by September 2022, providing both a Centre-based provision and a student hub for RBAir's blended provision in the area. Red Balloon Worthing will be joining Red Balloon of the Air under the Red Balloon Educational Trust umbrella.

We are delighted to have been able to expand to this new location and to offer support to young people with no where else to turn.

For young people across the UK, the 2020-21 academic year proved challenging with the continuing impact of COVID. For those already struggling with mental health or trauma-related issues, lockdown served only to exacerbate their anxieties and obsessions, and we saw the impact these stressful times had on many of our students.

Despite these challenges, Red Balloon staff rose to the occasion, providing more wellbeing sessions, online counselling and personalised programmes. These were supported by extra charitable donations, and we thank our supporters for the difference they made during this most difficult time.

Regardless of the difficulties of the year, our students have again shown their determination to succeed both personally and academically.

This year's exam results were impressive. Considering most of the students at Red Balloon have missed at least five terms of education before they come to us, 74% of those who sat GCSE English, achieved passes (grades 9-4) and 79% achieved good passes in Maths.

In addition to GCSEs, our students received BTECs, ASDAN certificates, Arts Awards and other qualifications, with an incredible 91% pass rate.

On a much larger scale, we have seen the impact the pandemic has had on the mental health of our nation's young people. What 25 years of Red Balloon have taught us is that the programme we offer must be rounded, holistic and integrated. Children's wellbeing, academic, and social lives do not exist in separate spheres, and we will continue to support each aspect of our students' development to ensure they can reach a future they are proud of.

With warm regards,



Bev Williams
Chair of Trustees

About Red Balloon

Red Balloon's programme is a holistic approach to education, aimed at those aged 11 to 18 who are out of school and unable to attend due to severe bullying, anxiety or illness. We focus on three critical areas: wellbeing, social re-engagement and, of course, education! Students come to us because their learning opportunities have been severely limited and they are becoming increasingly socially isolated at home. They risk falling through gaps in our education and mental health systems and struggling to find their footing in an increasingly complex adult world.
Thanks to our incredible donors, we empower and assist students to rebuild their self-confidence, rekindle their desire to learn and succeed, and move forward into further education, training or work.

We know that school isn't for everyone, but we believe education should be. Last year, there were potentially 60,000 children missing from England's state schools because of bullying or poor mental health. Post-pandemic, many students are reeling from instability and loss. With 25 years of experience, Red Balloon is reaching out to help the most vulnerable, one child at a time.

In this year's annual report you'll see how, in partnership with our donors, commissioners and passionate supporters, we're doing everything we can to ensure our young people are cared for, encouraged, and supported to flourish.

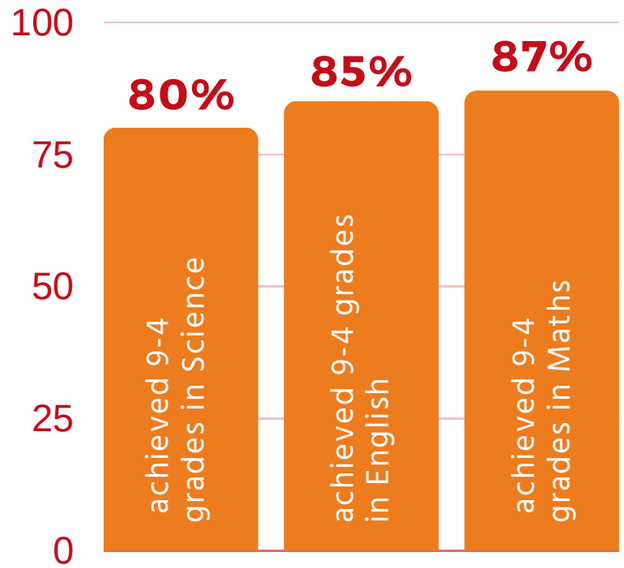
About the Red Balloon Consolidated Group

Red Balloon Educational Trust, formerly Red Balloon Learner Centre Group, acts as the coordinating and service centre for the five Centres. These five Centres are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement. After the end of the year, on 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air were transferred to its parent company, Red Balloon Educational Trust.

At the start of the year, 1 Sept 2020, the Red Balloon consolidated group consisted of Red Balloon of the Air, Red Balloon Reading and Red Balloon Cambridge. During 2020-21, Red Balloon Reading and Red Balloon Cambridge ceased to be consolidated, due to the FRS102 definition of control no longer being met. Together with Red Balloon of the Air, they are included in the group results up to their respective disposal dates; 19 May 2021 for RB-Reading and 11 May 2021 for RB-Cambridge, as required by UK accounting standards.

Our year at a glance

Our students achieve amazing things. Of the 61 students who took GCSE exams in the 2020-21 year:



This year, across 10 counties in England we supported:



215 *children total*

189 *with Education and Health Care Plans*

32 *students 'graduated' and said goodbye to Red Balloon*



100 *students had an attendence rate of 70%+*

Our locations

We have five Centres. Four are based in domestic houses in Cambridge, Norwich, NW London and Reading. They do not resemble schools.

The fifth is a blended online and face-to-face provision, Red Balloon of the Air, based in Cambridge but covering various different counties, with several face-to-face hubs.

In 2022 we will open our sixth physical Centre in Worthing.



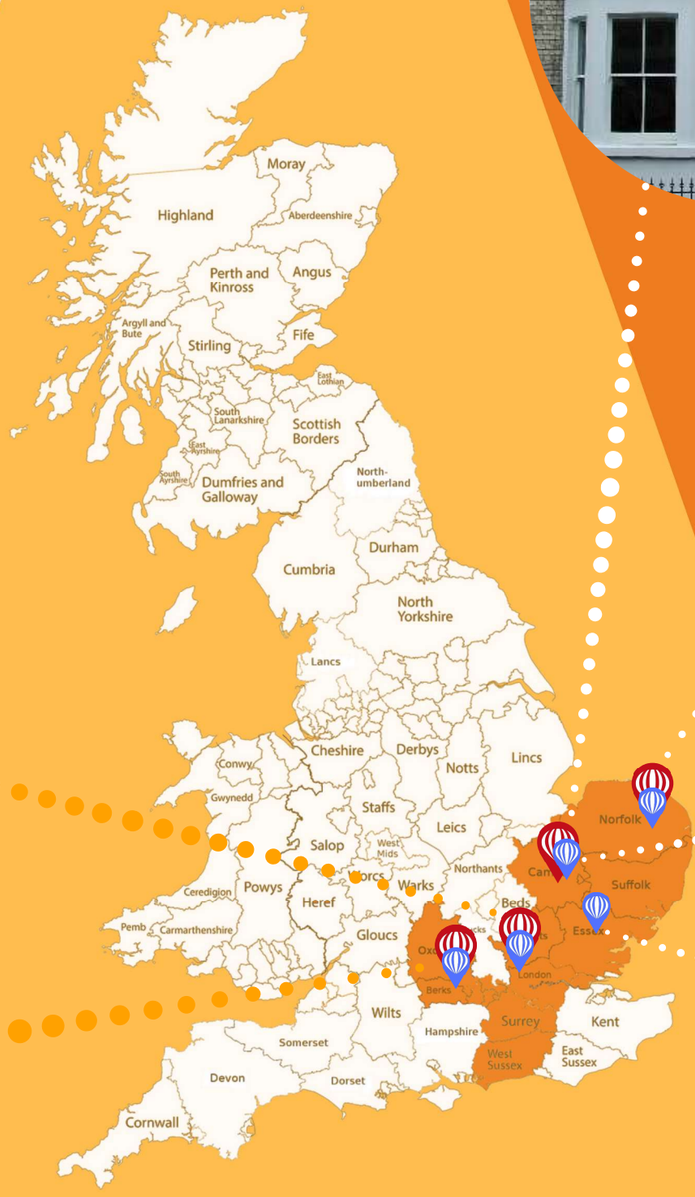












Red Balloon Learner Centres

Red Balloon of the Air face-to-face hubs

Red Balloon supports students across the counties highlighted above

Message from the Director of Education

Red Balloon Educational Trust consists of Red Balloon of the Air, Red Balloon Worthing and a central services team that provides the underpinning support and organisational development for the network of Learner Centres. The central services team provide strategic educational, wellbeing, IT, HR, fundraising, communications and administrative support, so that staff in the Centres can focus on what they do best – changing the lives of bullied and vulnerable young people.

Whilst this year was marked by the continuing impact of the Covid-19 pandemic it also saw us becoming more agile and used to adapting to the consequences. Some of our responses have led to speeding up our adoption of new technology that has led to more efficient working. However, for young people everywhere the national restrictions have taken a dramatic toll on their wellbeing, which began to show in increased referrals to our Centres - a trend we expect to see an increase over the coming years.

We recognise the enormous adjustment mainstream schools are making to support their cohorts whose mental health has declined during this period. In most cases, their interventions will be successful, but for a small proportion of students, though sadly still measured in the thousands nationally, the intensive programme Red Balloon provides will be their lifeline towards a fulfilled adulthood.

As with last year, we should recognise the work of our staff teams, who show incredible resilience and determination to keep supporting students throughout all the challenges Covid-19 has thrust upon us.

We are thankful for our donors whose generosity has allowed us to plan for the future with increased certainty. Each donation has made a great impact and enabled further mental health support for our students to meet their increased needs due to the uncertainty of the pandemic.

In particular, we are proud to have moved significantly closer to opening our new Centre supporting young people across West Sussex. From its base in Worthing, this is the first opportunity to develop a fully integrated provision, linking Centre provision to that of Red Balloon of the Air. This will enable us to even more closely match the needs of our students to high-quality and appropriate provision.

As we look to the future we know it will be another unusual year, but we remain positive about the continued support we will provide to students. Our specialised education, wellbeing and social re-engagement programme will continue. The support we offer; putting the student voice first, celebrating personal achievements of every kind, and placing the mental health of students front and centre, will be a constant in the shifting pandemic landscape.

Warm regards,



Rob Watson
Director of Education



"Students' voices remain at the centre of all we do, and we will continue to support our young people through whatever challenges may lie ahead."

Our values, ethos and practice

Carrie Herbert MBE, Red Balloon's Founder, gives an overview of Red Balloon's values, ethos and practice



Red Balloon Learner Centres were created to be safe and supportive learning communities for vulnerable young people who had been severely bullied, lost their confidence or suffered trauma or mental illness.

Our students have usually been out of school for some time, in some cases years, and have often lost their trust in peers, adults and the education system. But they can begin to learn again if they feel safe, listened to, valued and respected. Building trusting, open, respectful and inclusive relationships is at the heart of all we do, and we put the students' needs first.

Students are given support to:

- **rebuild their self-esteem and grow as individuals**
- **develop resilience and a positive self-image**
- **build the necessary learning skills to succeed when they return to school, move on to further education or enter the world of work.**

Step into any of our Centres and you will feel warmth and an air of supportive companionship, with small groups of students engaged in creative activity and serious learning. Children thrive thanks to the three core components of our programme - wellbeing, community and education - which provide them with holistic support. You can read more about each of our components in later pages.

To maintain our supportive learning communities we ensure that we:

- **treat our students with respect and kindness, using restorative approaches**
- **listen to our students and respond to their concerns**
- **establish communities to which our students and staff feel they belong and to which they contribute**
- **design individualised, negotiated educational and wellbeing plans to enable students to meet their goals**
- **combine academic study with social and emotional recovery programmes**
- **encourage creativity at all levels.**

Wellbeing

Psychological, social and emotional support help our students face their challenges head-on

> One of the best things at the start was the online and face-to-face therapy Red Balloon offers. It doesn't feel like therapy; it just feels like chatting to someone about your life.



Our vulnerable students benefitted from the support of 51 wellbeing professionals.

Every child should be given the care and support they need to grow into more self-confident, resilient, engaged, and happier versions of themselves.

The young people in our programmes have reached a point of crisis in their lives and can no longer cope in a mainstream educational setting. Our approach supports them to develop their self-belief and re-engage with education at a pace that is appropriate to their personal recovery process. Nurturing students' wellbeing, before and throughout their studies, is central to our students' success. At Red Balloon, young people have individual psychological support timetabled directly into their academic day. Our trained therapists use a range of supports and therapies so students can express themselves and work through any trauma or issues in a safe, controlled and personalised way. These may include talk, music, art, and even equine therapy! We believe this support is an essential building block for getting students back on their feet and achieving their goals.

Students can also take part in wellbeing activities; from non-competitive sports and physical exercise, to bushcraft, growing plants, golf and mental health crafts. They may take part in yoga and meditation, alongside different assertiveness and relaxation techniques. Sometimes a member of staff will bring in their dog, which can be especially helpful for those students who have trouble trusting people. Students also have the opportunity to recharge and learn in nature through activities such as gardening projects, forest school and the Duke of Edinburgh awards.

Many of our Red Balloon of the Air students are too anxious to attend a Centre, so in addition to timetabled therapy, mentors will visit them at home. These mentors support students' social growth step-by-step, from standing outside the front door, to walking the dog, to taking the bus. When they're ready, students attend sessions at our student hubs in Milton, Norwich, Harrow and Danbury to join fellow Red Balloon students in wellbeing and social activities - such as Therma Painting or pancake making - that allow them to develop their social skills in a safe environment.

Education

A bespoke curriculum helps students re-engage with learning

> I really value the teachers at RBAir and their flexibility to work with whatever is going on with me



Between our four 'brick and mortar' Centres and Red Balloon of the Air, students are able to study over 35 subjects, tailored to their individual interests.

When children get to negotiate their curriculum, we get to provide personally-tailored challenges that engage them and their interests and help them reach their academic goals.

Teachers use topics that students are passionate about such as Japanese culture, astronomy or fishing, and are able to link them to curricular subjects which helps students find joy in learning again. We embrace the fact that we all learn in different ways, and actively use this to help students flourish.

Lessons are structured so each child can learn at their own pace. Students begin with one-to-one sessions and later progress to small group sessions of no more than six. The day consists of six 45-minute sessions.

Red Balloon's atmosphere is informal. There are no uniforms and students call staff by their first names. At the heart of our Centres sit big communal kitchens where students and staff come together, eat freshly cooked lunches, celebrate birthdays and other occasions, play games and discuss matters of the day.

All students have access to English, maths, science, humanities and personal, social, health and economic education (PSHEE). Some Centres will also offer subjects such as food technology, languages, psychology, history, design technology and PE. Children can also take part in a plethora of extra-curricular activities like songwriting or kayaking, for example.

For those studying with Red Balloon of the Air, equally personalised lessons take place at home, in real-time. Our teaching team uses hands-on practical activities and interactive digital technology to bring the curriculum to life.

This negotiated approach means every student is on a learning journey that is uniquely suited to them. This ensures that the young people are inspired and motivated to learn, challenged appropriately and prepared to take the next step to become happy, healthy and fulfilled adults.

Social re-engagement

Supporting students to re-engage with their peers and the communities around them

> I was encouraged to join in events – picnics, parties, groups who get together and do things. I'm not usually good at open spaces – but I really, really enjoyed myself on Red Balloon's activities. We take things at our own pace.



In 2020/21 83% of students reported that their well-being improved since joining Red Balloon.

Every young person should build positive relationships with others, feel that they belong and engage in the wider world.

Before joining Red Balloon, most of our students had withdrawn from school and become isolated at home. Most had lost their friendships and routines, and become socially confined. Gradually, they miss out on the day-to-day social interactions and development of personal skills which shape our lives.

Students may need help developing their confidence to use public transport independently, for example, make a phone call or use a cashpoint. As their time with Red Balloon comes to an end, mentors may help students plan the route to their college, familiarise them with the campus in advance, and identify where to go for help or to find quiet space.

This is particularly true for students studying with Red Balloon of the Air - most of whom have been missing from school for extended periods, and some of whom struggle to leave their rooms. For these vulnerable young people, mentors help develop their self-confidence at a pace that ensures their personal growth is sustainable.

Students may even need help to talk to someone outside of their immediate family, so mentors take engagement at the student's pace, step by step until the students are ready to take part in face-to-face sessions. This may mean carefully coaxing the young person to take a step outside, take a walk and more, until they decide they are ready to move to the next step.

Celebration days and trips planned by students further support their personal and social development. These events encourage them to research, plan, coordinate together and navigate real-world tasks such as public transport, all of which are big achievements as well as being fun opportunities to experience something new.

Fundraising: a year of amazing support

Very special thanks to:

The AB David Charity
Ashridge Group
BBC Children In Need
The Ben Cohen Stand Up Foundation
Ralph Burditt
The Charles S French Charitable Trust
Kevin Holmes
Homelands Charitable Trust
Nic Humphries
The Ingles Charitable Trust
Katrina Lamberton
Diarmuid Ó Séaghdha
Philip King Charitable Trust
Qualcomm Foundation
Mike and Carol Romanos
Nick Salter
The Sussex Community Foundation
Catherine Viola

For every £1 we spent in 2020/21 in the Red Balloon Educational Trust consolidated group, 85.5p went on direct costs supporting students:



We cannot operate effectively without good management and fundraising efforts.
Last year 11p of every £1 was spent on support and governance 3.5p was spent on raising funds.

Our plans for the future

Our strategic objectives for the next three years are to:

Improve the way students are supported

- We will continue to work with the student body to improve the measurement tools we use to assess their progress and achievement.
- We will continue to make effective use of existing technologies, as well as explore new ones, to enhance students' learning and wellbeing experiences.
- We will continue to provide flexible and additional support to minimise the impact of COVID on students' attainment.

Reach more isolated and vulnerable children

To meet the growing need, we will expand Red Balloon so we can reach more bullied, anxious and traumatised children.
This past year we have achieved this goal by:

- progressing towards opening a Centre in the new location of Worthing, West Sussex.
- encouraging the expansion of Cambridge and NW London Centres - by 20 children each.
- supporting the increase in the number of students at Red Balloon of the Air.

And we will continue to work towards this aim by:

- opening a further additional Centre in a new location
- continued support of increasing the number of students on Red Balloon of the Air.

Inspire more people to support our work

- We will diversify our funding sources to reflect the challenging fundraising landscape and to finance our growth plans.
- We will continue to develop our donor stewardship so every one of our supporters has a positive experience, however they choose to support our work.
- We will establish relationships with new charitable trusts and individual donors.
- We will strengthen our national voice and influence regarding children missing from school because of bullying, anxiety and trauma.
- We will reinforce to local authorities and other educational bodies the importance of student wellbeing; particularly in regions which we have identified for growth.



Manage our charity as effectively and efficiently as possible

- We will continue to move towards a consolidated governance model across Red Balloon, which has already begun with the merger of Red Balloon of the Air and Red Balloon Educational Trust (RBET), and the establishment of Red Balloon Worthing as part of RBET.
- We will continue to review processes to ensure transparency, accountability, responsiveness and compliance with relevant regulations and legislation.
- We will continue to identify and manage major risks to the organisation.
- We will maintain pressure on the Department for Education to accredit online education as per its commitment in June 2020.
- We will develop, implement and maintain a workforce plan that enables Red Balloon to recruit, motivate, train and retain staff with the skills and competencies required to meet needs now and in the future.
- We will continue to develop and implement a volunteer involvement programme to enrich students' Red Balloon experience.
- We will utilise appropriate existing and new technologies to enhance the ways that staff support students.

Alumni case study: Daniel, Cambridge Centre

I had an awful time at my first senior school; I was bullied horrendously. I arrived late in the year and I was an outsider and found it hard to make friends. It just went from bad to worse really, the teachers were not supportive and it rapidly reached the point where I didn't have any friends at all at school and I was miserable.

When I left my first senior school I was pretty torn up. I was ill with post-traumatic stress disorder, bipolar disorder and anxiety. So that wreaked havoc in my mind and in my brain. I just couldn't cope with the full-on social stuff and the workload. So I had to leave my second school too, after which I spent about a year in a psychiatric hospital. I'd had to take a lot of time out at that point and I was feeling hopeless. I wondered "what the hell is going to happen to my education? Am I going to have to be home-schooled? What's going to happen with university?

"It was at that point that I came to Red Balloon. I was about 15 and had been out of education for a year. But I wasn't well enough to go to mainstream education, and that's what was going on for me when I joined Red Balloon."

Things at Red Balloon were different to my previous schools; it was quieter, more relaxed, and it felt more comfortable. The teachers were very supportive, and there was a big sense of them wanting me to do well. They were kind, encouraging, motivating, treated me as an equal and as someone to be respected, which was a big important thing to me.

I think my biggest achievement while at Red Balloon, corny and obvious though it may sound, was actually getting GCSEs; because I didn't think that would be possible when I joined. But I got my A and my A-stars so I was happy with that. Just getting through was the biggest achievement I could have hoped for. I am now studying Pharmacology at university, as well as setting up my own pharmacology business.

Red Balloon taught me a lot about managing social interactions as well as treating others as equals. Being on equal terms with teachers with first names, I think that was definitely one of the things that enabled me to form my network of pharmacology contacts, which is what got me where I am today.

"If I hadn't gone to Red Balloon, honestly I'd probably be back in the psychiatric hospital. For one thing, I definitely wouldn't have managed in mainstream education. Red Balloon absolutely prepared me for the future."



"I am now studying Pharmacology at University, as well as setting up my own pharmacology business."

Financial review

Risk assesment

Structure, governance and management

Financial review

Red Balloon Educational Trust, formerly Red Balloon Learner Centre Group ('the Charity') acts as the coordinating and service centre for a number of related Red Balloon Learner Centres in Cambridge, Norwich, North West London (in Harrow) and Reading, and a blended online and face-to-face provision, Red Balloon of the Air ('RBAir'). These entities are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement. After the end of the year, on 12 October 2021, the operations, assets and liabilities of RBAir were transferred to its parent company, Red Balloon Educational Trust.

At the start of the year, 1 Sept 2020, the RB consolidated group consisted of Red Balloon of the Air, RB-Reading and RB-Cambridge. During 2020-21, RB-Reading and RB-Cambridge ceased to be consolidated, due to the FRS102 definition of control no longer being met. Together with Red Balloon of the Air, they are included in the group results up to their respective disposal dates; 19 May 2021 for RB-Reading and 11 May 2021 for RB-Cambridge, as required by UK accounting standards.

Consolidated income increased by £444k on the prior year to £3,461k (2020: £3,017k) despite RB-Reading and RB-Cambridge's results only being included for part of the year; £556k from an increase in fee income, which was mainly due to 71% higher fee income in RB-Cambridge, following the opening of their second Centre in Autumn 2020 and 31% increase in RBAir due to higher student numbers, partially offset by the decrease in fee income in RB-Reading due to the shorter consolidation period. Income from donations and grants decreased by £104k on prior year to £653k (2020: £757k). Other income decreased by £30k on prior year to £8k (2020: £38k) in relation to the Coronavirus Job Retention Scheme grant claimed; £5k by the Charity and £3k by RBAir (2020: £38k Charity and £Nil RBAir).

Expenditure increased by £596k on prior year to £3,455k (2020: £2,859k), however, included within expenditure for the current year is £850k in relation to the disposal of the RB-Reading and RB-Cambridge subsidiaries. Expenditure in the Charity decreased by 36% (2020: 3% increase), RBAir increased by 3% (2020: 17% decrease), RB-Cambridge increased by 18% due to the opening of their second Centre although only consolidated for part of the year (2020: 6%) and RB-Reading decreased by 17% due to only being consolidated for part of the year (2020: 26% increase).

Overall, there was a consolidated surplus of £6k (2020: £159k), of which £236k (2020: £28k) was attributable to the Charity, £221k (2020: £2k) to RBAir, £196k (2020: £16k) to RB-Cambridge, £152k (2020: £127k) to RB-Reading, £58k in relation to the reclassification of the Cambridge and Reading properties to programme related investments, £850k deficit arising on the disposal of subsidiaries (2020: £Nil) and the balance of £7k deficit (2020: £14k deficit) due to consolidation adjustments.

RBAir's fee income increased by £362k in 2020-21 (2020: £144k decrease) to £1,527k (2020: £1,165k) due to an increase in student numbers and a review of the pricing strategy carried out during the previous year. In response to the fall in student numbers at the start of the prior year in 2019-20, a comprehensive restructure was carried out, with the ultimate result of reducing the fixed costs and improving efficiencies across the board, placing RBAir in a strong position to weather any future fluctuations in income. RBAir's expenditure, therefore, only increased by £33k (2020: £278k decrease). At 31 August 2021, RBAir held £387k (2020: £148k) of unrestricted reserves which provided approximately 3.3 months (2020: 1.2 months) of expenditure cover.

The Charity's net assets increased by £236k (2020: £28k) to £2,136k (2020: £1,899k) in the year. Its income decreased by £140k (2020: £17k) to £856k (2020: £996k); £91k decrease (2020: £2k) from donations and grants income, £33k decrease (2020: £38k increase) in relation to the Coronavirus Job Retention Scheme, £Nil (2020: £56k decrease) due income generated from fundraising events, and £16k net decrease (2020: £3k net increase) in other income categories. Costs decreased by £348k (2020: £29k increase) to £619k (2020: £967k) due to lower expenditure in the following areas: £255k (2020: £47k higher) in bursaries and grants awarded to other Red Balloons; £27k (2020: £13k higher) in premises costs, £144k in staff costs (2020: £1k higher) and £13k net decrease (2020: £3k) in other areas. This was partially offset by higher expenditure of £4k (2020: 23k lower) in fundraising expenses, £59k (2020: £10k lower) in recruitment and professional costs and £28k (2020: £4k) in depreciation and amortisation charges.

At 31 August 2021, the consolidated group's net assets amounted to £2,546k (2020: £2,540k), of which approximately £1,613k (2020: £1,624k) is in fixed assets (net of mortgages).

Investment policy and performance

Surplus funds are split between CAF Bank savings accounts, paying interest during the financial year at approximately 0.01% pa (2020: 0.01% pa) and funds held with Investec. Around 65% of the Investec funds are held as cash paying 0% pa (2020: 0% pa) interest, 10% in fixed interest investments and the remaining 20% in UK and international equities; in the year ended 31 August 2021, the average return on all Investec funds was 0.99% pa (2020: 1.07%). The trustees believe this appropriately balanced the need for ready access, good security and investment return. In May 2022, the decision was made to withdraw all funds held with Investec and other investment options are being considered. CAF Bank savings account interest has increased in the first half of 2022 and is currently at 0.35% pa.

Reserves policy

The trustees aim to keep reserves in line with Charity Commission guidance, and, having assessed the various risks to the Charity, believe a policy to maintain a level of free reserves at six months underlying operating costs is appropriate. Free reserves are calculated as unrestricted reserves, less fixed assets excluding fixed asset investments, net of mortgages. At 31 August 2021, the Charity held free reserves of £557k (2020: £309k), equating to around 14.6 months (2020: 7.1 months) operating costs.

The Charity's net costs decreased in 2020-21 due to lower staff costs following redundancies and a role not being replaced. Some of the free reserves was used towards the purchase of a new property in Milton in April 2022. Following the merger of Red Balloon of the Air with the Charity in October 2021, the trustees of the Charity will review its reserves policy and continue to closely monitor the reserves position in the forthcoming year.

Monies donated for a specific purpose are held as restricted reserves and separately tracked and accounted for (see financial statements and accompanying notes).

Going concern

The RBAir provision was able to maintain its provision despite the challenges posed by the Covid-19 situation and has seen no major adverse impact on operations as a result of the pandemic. Student numbers have, however, been lower than anticipated in 2021-22, and a 6% fall in fee income is predicted. Fee income is forecast to increase again the following year, as a result of further review of pricing strategy and based on the level of enquiries. In the Charity, grants and donations income has been lower in 2021-22 compared to the previous couple of years but this has been more than offset by a successful fundraising event in October 2021. The Charity is opening a new Centre in Worthing in Sept 2022 and various set-up costs have been incurred in 2021-22 but a significant proportion has been covered by restricted grants and donations received for this purpose. Following a detailed review of the Company's forecasts and projections, the trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

There were no significant events affecting the Charity's financial position during the year and the Charity's financial position at the end of the reporting period remained stable.

Risk assessment

The trustees have assessed the major risks to which the Charity is exposed, and are satisfied that the appropriate actions, policies and procedures are in place to mitigate, but not totally eliminate, the exposure to the major risks. These are described below:

Major risks, and impact	Mitigating actions and responses
Inadequate service provision – students fail to improve and to return to mainstream education or training.	Taster day for potential students to experience Red Balloon and agree to its operating principles. Individually negotiated curriculum for each student, and proper assessment of their needs. Recruitment of high-quality staff and counsellors who embrace Red Balloon's way of operating. Regular assessment of each student's holistic progress; student feedback and discussion; adaptation of curriculum and approach as needed. Training for staff to keep up to date with subject material and regulations.
Student safeguarding – students harmed or self-harming.	Management will ensure staff members are fully conversant and compliant with safeguarding policies, and ensure their training is up-to-date. Appropriate de-escalation procedures are in place in the event of an incident. Health and safety risk assessment policies are up-to-date and inspections are carried out at appropriate intervals. Central monitoring of compliance at Learner Centres and RBAir.
Changes in government policy or regulation – adverse inspections of Learner Centres, and ability to deliver online provision through RBAir.	Monitoring of changes in regulation, policies and approach with government departments, regulators, commissioners and inspectorates, and adjusting Red Balloon policies, processes and provisions as required. Monitoring the status of RBAir, and managing its online provision in line with all applicable regulations. Engagement with lawmakers and educators on support for bullied children, including acting as secretariat for the All-Party Parliamentary Group on Bullying.
Financial insolvency – inadequate funding to cover expenditure	Focused fundraising by a dedicated development team; setting fees at an appropriate level; marketing of Red Balloon services to ensure an adequate pipeline of students. Proper budgeting and efficient cost management. Monitoring cash balances with an appropriate level of reserves on hand.
Cyber Security - resulting in a safeguarding risk, data breach (also see below), failure to conform to regulation	Implementation of IT strategy that ensures compliance, ensuring hardware and software purchases can be centrally supervised. Training to ensure compliance with revised IT strategy. Improved authentication procedures.
Loss of IT data and/or access to central systems – resulting in confidential data loss and/or operational disruption including online provision.	Ensuring software and virus protection on devices are up-to-date, as well as restricted physical access. Appropriate password protection maintained and offsite/cloud backup in line with IT policies. Confidential personal information is identified and encrypted. A second and distinct data line maintained for RBAir.

Structure, governance and management

Constitution

The Charity is registered as a charitable company limited by guarantee.
The Charity is constituted under a Memorandum of Association dated 21 February 2005 and its charity registration number is 1109606.

Method of appointment or election of trustees

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited to fulfil specific roles. Job roles are clearly described and the appropriate level of skills and experience required is clearly defined. Positions are advertised and formal applications are requested. Interviews take place and candidates who most closely match the selection criteria are invited to attend a trustee meeting as an observer. No person or external body other than the trustees are entitled to appoint trustees.

Policies adopted for the induction and training of trustees

i) All new trustees are invited to visit an existing Red Balloon Learner Centre in order to appreciate how it differs from a school and how it operates.
ii) All new trustees meet with the Chair, the Executive Officer, the President and the Financial Controller. The Chair explains the aims of the Charity.
iii) The President describes the history of the founding and development of Red Balloon, defines 'bullying' with examples of the kind of treatment to which students were subjected in mainstream school and which led to them refusing or becoming unable to attend. She expounds the five core principles governing the operation of the individual Learner Centres.
iv) The Financial Controller acquaints them with the financial basis of the Charity.
v) The trustees are given the documents issued by the Charity Commission regarding the duties of trustees ("The Essential Trustee"), together with "Red Balloon - An Introduction".
vi) All trustees are required to provide satisfactory DBS clearing, complete basic online PREVENT and Child Protection training, a Trustee Declaration of Interests and confirm that they are a suitable person to stand as a Trustee.
vii) The induction process includes meetings with the main contact staff relevant to their specific job role and other trustees. Final election and confirmation as a trustee is carried out at a full trustee meeting.

Organisational structure and decision making

i) The Charity operates from its offices at Winship House in Milton, Cambridge. The Executive Officer oversees individuals with responsibility for development and fundraising, marketing and communications, IT, finance and human resources.
ii) Day-to-day decisions are made by the Executive Officer, who will refer to the Chair of Trustees, the President or another trustee for advice or guidance if necessary.
iii) The Board of Trustees meets formally approximately every six weeks when they receive and discuss written reports from the Executive Officer and Financial Controller.
iv) Major policy and project proposals are brought to the attention of the trustees by the Executive Officer, discussed, and decisions made are minuted and subsequently implemented. There is a schedule of matters reserved for the board.
v) At each meeting, the Chair asks the trustees to record any potential conflict of interest.

Structure, governance and management

Pay policy

A set of pay bands has been established which define a pay range for each group of staff, taking into account level of responsibility, qualifications and experience. Key management remuneration on appointment and any subsequent changes are authorised by the trustees. An appropriate local set of pay bands has been implemented at other locations. Performance reviews take place for all staff. Key management remuneration details are included in note 11.

Fundraising standards information CA 162A

Red Balloon Educational Trust (RBET) raises some funds from the public.
i) RBET undertakes fundraising through our internal resources and we do not commission a professional fundraiser/commercial participator for these;
ii) RBET is not subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or voluntary standard for fundraising in respect of activities on behalf of the charity;
iii) RBET monitors fundraising activities via the board reports and via fortnightly meetings;
iv) RBET received no complaints during the year about activities for the purpose of fundraising;
v) RBET has adopted principles of GDPR legislation and also has safeguarding policies to protect the data of vulnerable people and other members of the public from:

a. Unreasonable intrusion on a person's privacy;
b. Unreasonable persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity;
c. Placing undue pressure on a person to give money or other property.

Compliance with the Code of Fundraising Practice

The Charity is registered with the Fundraising Regulator to demonstrate its commitment to transparent charity management and adhering to the Code of Fundraising Practice. Supporters have the right to know that the Charity can be trusted to be open and honest and that they will be treated with care and respect. The Charity's fundraising promise is published on its website which explains what supporters can expect from it and what to do if they have any concerns.

The data protection statement online has been expanded so supporters can see how the Charity manages and uses their data within the General Data Protection Regulations. They are invited to change the way the Charity communicates with them at any time. It has introduced Donorfy Customer Relationship Management system to ensure that its donor data is held appropriately and securely. This forms an integral part of achieving readiness for growth.

The Charity's fundraising activities continue to be largely focused on approaches to grant-making bodies as well as high net-worth individuals, but it has been developing its stewardship of individual donors, to encourage regular giving and community fundraising.

Public benefit

The trustees have had regard to the Charity Commission's guidance on Public Benefit. Red Balloon Learner Centres provide an 'intensive care' full-time education, mainly for children aged 11 -18 who have been so seriously bullied or traumatised that they exclude themselves from school. There is no other purpose-made scheme to help this group of children recover and restore them to normal life. They are provided with a safe environment with clear boundaries for behaviour and a bespoke full-time academic, pastoral and therapeutic programme.

Structure, governance and management

According to research carried out by the National Centre for Social Research in 2011 (Estimating the Prevalence of Young People Absent from School because of Bullying), of the approximately 3.1 million 11 to 15-year-olds in England, about five in one thousand, or 16,500 children, have been bullied to the point that they have left the mainstream educational system.

Experience in Red Balloon's Centres and at RBAir causes us to believe that there is a need in the UK for much wider access to provision of the kind that Red Balloon offers. Red Balloon improves the skills and life opportunities of a group of socially isolated, anxious and ignored children. It contributes to stronger communities by identifying and addressing the problem of seriously bullied and traumatised children with the help of the community, and for the benefit of the community.

Trustees' responsibilities

The Trustees (who are also Directors of Red Balloon Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP; make judgments and accounting estimates that are reasonable and prudent; prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that so far, as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditor

The auditors, Price Bailey LLP, have indicated their willingness to continue in office. The designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees. In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 23 August 2022 and signed on their behalf by:



Beverley Williams

Administrative details of the charity, its trustees and advisors

Charity registration number	1109606
Company registration number	05385341
Trustees and Directors	Dr Carrie M H Herbert, President Ms Beverley A Williams, Chair Revd Prof Michael J Reiss Mr Kevin J Taylor (resigned 17 September 2020) Ms Elizabeth M Allan (resigned 17 April 2021) Mr Edward A Bowers (resigned 16 October 2020) Mr Simon P Mace (appointed 19 November 2020) Ms Jennifer R Raine (appointed 25 November 2021)
Executive Officer	Chief Executive Officer: Ms Lena Milosevic (resigned 5 October 2020) Director of Education: Mr Robert Watson (appointed 2 January 2020)
Company Secretary	Dr Carrie M H Herbert
Principal/Registered office	Willow Lodge, 37 High Street, Milton Cambridge CB24 6DF
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ



Auditors' report and financial statements for the year ended 31 August 2021

Independent auditors' report to the members of Red Balloon Educational Trust

Opinion

We have audited the financial statements of Red Balloon Educational Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of Matter in relation to the control of Red Balloon Cambridge

We draw attention to note 27 in the financial statements which describes that the accounts of Red Balloon Learner Centre Cambridge for the year ended 31 August 2021, filed at Companies House dated 6 June 2022 (received at Companies House on 27 May 2022), still state that 'Red Balloon Learner Centre Cambridge is owned 100% and controlled by Red Balloon Learner Centre Group' (p23 Controlling Party note). Red Balloon Educational Trust believes this statement to be incorrect and that control ceased on 11 May 2021 and therefore Red Balloon Learner Centre Cambridge ceased to be consolidated from 11 May 2021 as described in note 27.

Our audit opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

Independent auditors' report to the members of Red Balloon Educational Trust

Conclusions relating to going concern (continued)

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, incorporating the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Independent auditors' report to the members of Red Balloon Educational Trust

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and how it operates and considered the risk of the group and the parent charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the group and the parent charitable company this included employment law, financial reporting and health & safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified these included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we agreed the financial statements to underlying records and we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed accounting policies for evidence of management bias and ensured that the accounting policies were correctly applied to the financial statements.
- We reviewed minutes of Trustee Board meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the parent charitable company regarding laws and regulations applicable to the organisation.

Independent auditors' report to the members of Red Balloon Educational Trust

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

- We reviewed the risk management processes and procedures in place including a review of the Board assurance reporting.
- We have reviewed any correspondence with the Charity Commission and reviewed the procedures in place for the reporting of incidents to the Trustee Board including serious incident reporting of any such matters if necessary.

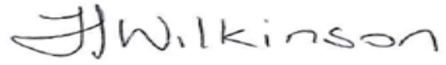
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation as to what extent the audit was considered capable of detecting irregularities, including fraud.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of this Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, for our audit work, for this report, or for the opinions we have formed.



Helena Wilkinson (Senior Statutory Auditor)
For and on behalf of

PRICE BAILEY LLP
Chartered Accountants
Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 26 August 2022



RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Restricted £	Unrestricted £	2021 Total £	2020 Total £
INCOME					
Donations and grants	2	218,976	433,694	652,670	756,861
Charitable activities	3	-	2,718,321	2,718,321	2,154,671
Other trading activities	4	-	390	390	-
Investment income	5	10	80,993	81,003	67,694
Other income	6	-	8,449	8,449	38,246
Total income		**218,986**	**3,241,847**	**3,460,833**	**3,017,472**
EXPENDITURE					
Costs of raising funds	7	(20,287)	(69,450)	(89,737)	(90,646)
Charitable activities	7	(203,994)	(2,311,035)	(2,515,029)	(2,767,894)
Donation on disposal of subsidiaries	7,27	(54,451)	(795,737)	(850,188)	-
Total expenditure		**(278,732)**	**(3,176,222)**	**(3,454,954)**	**(2,858,540)**
Net (expenditure) / income in the year		**(59,746)**	**65,625**	**5,879**	**158,932**
Transfer between funds		(1,705)	1,705	-	-
Net movement in funds		**(61,451)**	**67,330**	**5,879**	**158,932**
Reconciliation of funds:					
Total funds brought forward	23b	253,474	2,286,545	2,540,019	2,381,087
Total funds carried forward	23a	**192,023**	**2,353,875**	**2,545,898**	**2,540,019**

All amounts relate to continuing activities of the company.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 47 to 68.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible fixed assets	14	10,335	15,502
Tangible fixed assets	15	17,665	1,326,562
Fixed asset investments	16	185,874	179,007
Programme related investments	17	2,720,104	1,447,963
TOTAL FIXED ASSETS		**2,933,978**	**2,969,034**
CURRENT ASSETS			
Debtors: amounts falling due within one year	18	242,839	329,896
Debtors: amounts falling due after more than one year	19	-	24,544
Cash at bank and in hand		1,072,932	1,189,659
TOTAL CURRENT ASSETS		**1,315,771**	**1,544,099**
LIABILITIES			
Creditors: amounts falling due within one year	20	(394,487)	(649,340)
NET CURRENT ASSETS		**921,284**	**894,759**
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,855,262**	**3,863,793**
Creditors: amounts falling due after more than one year	21	(1,309,364)	(1,323,774)
TOTAL NET ASSETS		**2,545,898**	**2,540,019**
FUNDS OF THE CHARITY			
Unrestricted funds:			
-General funds	23a	927,214	842,044
-Designated funds	23a	1,426,661	1,444,501
Restricted funds	23a	192,023	253,474
TOTAL FUNDS		**2,545,898**	**2,540,019**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 47 to 68 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 23 August 2022 and signed on their behalf by:

Beverley Williams - Trustee

Jennifer Raine - Trustee

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
CHARITY BALANCE SHEET
AS AT 31 AUGUST 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible fixed assets	14	10,335	15,502
Tangible fixed assets	15	904	31,489
Fixed asset investments	16	185,874	179,007
Programme related investments	17	2,720,104	2,720,104
TOTAL FIXED ASSETS		**2,917,217**	**2,946,102**
CURRENT ASSETS			
Debtors: amounts falling due within one year	18	146,938	100,138
Debtors: amounts falling due after more than one year	19	-	24,544
Cash at bank and in hand		531,985	273,213
TOTAL CURRENT ASSETS		**678,923**	**397,895**
LIABILITIES			
Creditors: amounts falling due within one year	20	(151,119)	(110,108)
NET CURRENT ASSETS		**527,804**	**287,787**
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,445,021**	**3,233,889**
Creditors: amounts falling due after more than one year	21	(1,309,364)	(1,334,506)
TOTAL NET ASSETS		**2,135,657**	**1,899,383**
FUNDS OF THE CHARITY			
Unrestricted funds:			
-General funds	23a	556,906	308,899
-Designated funds	23a	1,409,900	1,421,569
Restricted funds	23a	168,851	168,915
TOTAL FUNDS		**2,135,657**	**1,899,383**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 47 to 68 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 23 August 2022 and signed on their behalf by:

Beverley Williams - Trustee

Jennifer Raine - Trustee

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021	2020
		£	£
Cash Flows from Operating Activities			
Net cash (used in) / provided by operating activities	28	(49,430)	118,435
Cash Flows from Investing Activities			
Purchase of intangible fixed assets		-	(20,670)
Purchase of property, plant and equipment		(43,214)	(42,854)
Proceeds from sales of property, plant and equipment		-	2,573
Net cash used in Investing Activities		**(43,214)**	**(60,951)**
Cash Flows from Financing Activities			
Repayments of borrowing		(24,083)	(22,490)
Net cash used in Financing Activities		**(24,083)**	**(22,490)**
Change in cash and cash equivalents in the reporting period		**(116,727)**	**34,994**
Cash and cash equivalents at the beginning of the reporting period	29	1,189,659	1,154,665
Cash and cash equivalents at the end of the reporting period	29	**1,072,932**	**1,189,659**

The attached notes on pages 47 to 68 form part of these financial statements.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), Charities SORP (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis and are presented in sterling, which is the functional currency of the Charity.

The financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. See further details of subsidiary entities in note 27.

At the start of the year, the Red Balloon group consisted of Red Balloon of the Air, Red Balloon Learner Centres Reading and Cambridge. During 2020-21, Red Balloon Learner Centres Reading and Cambridge ceased to be consolidated, due to the FRS102 definition of control no longer being met (see note 27). Together with Red Balloon of the Air, they are included in the group results up to their respective disposal dates, as required by UK accounting standards.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) Going Concern

The substantial operational review and restructure which was implemented in Red Balloon of the Air during 2019-20 means that Red Balloon of the Air is operating at a sustainable level and is forecasting steady growth over the next few years from this foundation. The continued growth in enquiries for all subsidiaries has not been impacted by the COVID-19 situation and interest in the provisions continues to spread.

Grants and donations income has not been adversely affected by COVID-19 either and following detailed review of Red Balloon Educational Trust's forecasts and projections, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

c) Legal status of the Charity

The Charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page 34. The number of members during the year was 5 (2020: 6). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity (2020: £10 per member).

d) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

f) Income

All income is included in the Statement of Financial Activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities relates to school fee income which is invoiced in advance at the start of each term. Fee income is recognised on a monthly basis as teaching occurs and fees received for future months are deferred as shown in note 20.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Donations, grants and gifts are recognised when receivable. In the event that a grant is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates and recognised in income in the year. Any Gift Aid amounts not received by the year end are accounted for in income and accrued income in debtors.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which:

- the Charity is aware that probate has been granted; and
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Charity. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

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g) Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs have been allocated between governance costs and other support costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Governance and support costs have been apportioned between all activities based on staff time and use of the resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

h) Intangible fixed assets and amortisation

Intangible fixed assets are valued at historical cost. Amortisation is provided on all intangible fixed assets on a straight-line basis and are written off over their useful economic life. Amortisation rates are as follows:

Website	25% straight line

Assets are assessed for impairment at each balance sheet date. Any impairment value is recognised immediately in the statement of financial activities.

i) Tangible fixed assets and depreciation

Tangible fixed assets are valued at historical cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual values, over their expected useful lives as follows:

Office equipment	33% straight line
Computer equipment	50% straight line
Motor vehicles	20% straight line
Leasehold improvements	10% straight line
Buildings	2% straight line
Freehold land	Not depreciated

Assets are reviewed for any indications of impairment at each balance sheet date.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due. Concessionary loans received at below market rates are received in order to further the charitable objects of the organisation and are therefore included at the amount received and are not discounted.

m) Financial instruments

The Charity mostly has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at cost which is their fair value. The Charity also holds some quoted investments with Investec which are revalued to market value at each balance sheet date; gains or losses are taken to the income statement as detailed in note 16. When the investments are expected to be held for a period greater than 12 months, they are classified in the balance sheet under Fixed Assets. Included within creditors are property mortgages which are valued on the basis of of cost using the effective interest rate method. Further details are in note 21.

n) Pensions

Employees of the charity are entitled to join a defined contribution pension scheme, the assets of which are administered by NEST. The charity contribution is restricted to the contributions disclosed in note 12.

o) Operating leases

Operating leases are recognised over the period of which the lease falls due on a straight-line basis.

p) Taxation

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

q) Programme related investments

Programme related investments consist of properties rented to Red Balloon Centres. They are held at cost less any provision for impairment.

r) Investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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s) Significant Estimates and Judgements

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

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. These include depreciation, debtor recoverability and bad debts. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Donations and grants

	2021 £	2020 £
Donations	382,040	63,390
Legacies	12,046	-
Grants	258,584	693,471
	652,670	756,861

Included within donations received are restricted funds of £19,759 (2020: £9,020) and unrestricted funds of £362,281 (2020: £54,370). All legacies received relate to restricted funds. Included within grants received are restricted funds of £187,171 (2020: £389,461) and unrestricted funds of £71,413 (2020: £304,010).

3 Income from Charitable Activities

	2021 £	2020 £
Levies and recharges to Red Balloon Centres	27,798	19,866
Teaching and support of bullied children	2,690,523	2,134,805
	2,718,321	2,154,671

All income from charitable activities was attributable to unrestricted funds in both the current and prior year.

4 Other trading activities

	2021 £	2020 £
Fundraising events	390	-
	390	-

All fundraising income received was attributable to unrestricted funds.

5 Investment income

	2021 £	2020 £
Rents received	79,125	64,500
Dividends	1,765	1,765
Deposit account interest	113	1,429
	81,003	67,694

Included within investment income are restricted funds of £10 (2020: £191). All remaining investment income relate to unrestricted funds.

6 Other income

	2021 £	2020 £
Government grants	8,449	38,246

Government grants are wholly in relation to the Coronavirus Job Retention Scheme, which are unrestricted funds £8,449 (2020: £38,246). There were no unfilled conditions in relation to the government grants at the year end (2020: None).

7 Analysis of expenditure by activity – current year

	Direct costs £	Grant funding £ (notes 10a,10b)	Support costs £ (note 8)	2021 costs £
Costs of raising funds	65,000	-	24,737	89,737
Charitable activities:				
Advance the education of students at Red Balloon Centres	215,107	7,700	157,778	380,585
Teaching and support of bullied children	2,007,745	-	126,699	2,134,444
	2,222,852	7,700	284,477	2,515,029
Donation on disposal of subsidiaries	850,188	-	-	850,188
	3,138,040	7,700	309,214	3,454,954

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Analysis of expenditure by activity – prior year

	Direct costs £	Grant funding £ (notes 10a,10b)	Support costs £ (note 8)	2020 costs £
Costs of raising funds	69,363	-	21,283	90,646
Charitable activities:				
Advance the education of students at Red Balloon Centres	408,818	221,391	90,106	720,315
Teaching and support of bullied children	1,892,932	-	154,647	2,047,579
	2,371,113	221,391	266,036	2,858,540

Expenditure in 2021 related to restricted funds was £278,732 (2020: £448,612) and unrestricted funds was £3,176,222 (2020: £2,409,928).

8 Analysis of support costs

	2021 £	2020 £
Finance and professional	109,870	59,636
Bank charges	1,062	984
Communication	20,104	20,054
Insurance	24,501	23,466
Rent and rates	43,214	32,409
Repairs and maintenance	13,001	45,292
General office expenses	7,203	7,147
Staff costs	57,275	40,335
Governance costs (note 9)	32,984	36,713
	309,214	266,036

9 Analysis of governance costs

	2021 £	2020 £
Auditors' fees		
- for audit services	22,340	22,180
- for non-audit services	6,424	7,539
Accountancy fees	4,220	6,994
	32,984	36,713

All expenditure on governance costs is spent from unrestricted funds in 2021 and 2020.

10a Grants to individuals

	Number	Total 2021 £	Number	Total 2020 £
Bursaries	4	7,700	15	75,775

The average bursary per student in 2021 was £1,925 (2020: £5,052). The decrease was due all bursaries awarded being for only a part of the year and in the prior year, bursaries were also awarded for tailored programmes.

10b Grants payable to institutions

	Number	Total 2021 £	Number	Total 2020 £
Grants (see below)	-	-	1	145,616

Grants payable to institutions in the prior year related to restricted funds of £145,616 and unrestricted funds of £Nil. The prior year grant was in relation to a grant received by the parent charity, Red Balloon Educational Trust, for the expansion of Red Balloon - NW London.

The total grants paid to institutions during the year were as follows:	2021 £	2020 £
Grants		
Red Balloon – NW London	-	145,616

11 Analysis of staff costs and key management personnel

	2021 £	2020 £
Wages and salaries	1,831,594	1,935,905
Social security costs	141,691	139,259
Pension	41,506	40,709
	2,014,791	2,115,873

The average monthly head count during the year was as follows:	2021 Number	2020 Number
Charitable activities	102	110

The number of higher paid employees was as follows:	2021 Number	2020 Number
In the band £60,000 - £70,000	-	1

The employers pension contributions in relation to the above higher paid employees was £Nil (2020: £1,220).

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During the year, no Trustees received remuneration (2020: £Nil) nor any reimbursement of expenses (2020 – £Nil).

The charity considers its key management personnel to comprise of 3 people (5 people in the prior year). During the year, the total employment benefits of these were paid by the parent company, Red Balloon Educational Trust. Total aggregate remuneration of key management personnel was £186,501 (2020: £267,892).

Total termination payments made were £3,000 (2020: £26,679).

In the prior year, in Red Balloon of the Air, a restructure programme was undertaken in full consultation with the staff. The objective was to achieve a number of voluntary exits whilst retaining the skills required for the future.
In the prior year, a restructure programme was also undertaken in full consultation with the staff involved for the IT department, which included employees of both Red Balloon of the Air and the parent charity, Red Balloon Educational Trust. The objective was to improve the quality of IT support by outsourcing some functions, following an external IT strategy review.

- The exits were agreed by the relevant boards.
- Exits took place from December 2019 through to August 2020 and the payments in relation to the restructures were accounted for within the 2019/20 financial year.
- The policy is to account for the termination payments at the point that the employee accepted the offer.

12 Pension costs

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £41,506 (2020 - £40,709). Pension contributions of £976 (2020 - £2,644) were payable to the fund at the balance sheet date.

13 Net (expenditure) / income

	2021 £	2020 £
Net (expenditure) / income is stated after charging:		
Amortisation of intangible assets owned by the charity	5,167	5,168
Depreciation of charitable assets owned by the group	62,492	39,807
(Profit)/Loss on sale of fixed assets	-	(2,178)
Operating lease payments for land and buildings	89,175	115,721
Donation on disposal of subsidiaries	850,188	-
Loss on fixed assets arising on disposal of subsidiaries	75,840	-
Depreciation eliminated on reclassification of fixed assets to programme related investments on disposal of subsidiaries	(58,362)	-
Auditors remuneration:		
- for audit services	22,340	22,180
- for non-audit services	6,424	7,539

14 Intangible fixed assets

Group and Charity	Website £
Cost:	
At 1 September 2020	20,670
Additions	-
At 31 August 2021	20,670
Amortisation:	
At 1 September 2020	5,168
Charge for the year	5,167
At 31 August 2021	10,335
Net book value:	
At 31 August 2020	15,502
At 31 August 2021	10,335

15 Tangible fixed assets

Group	Land and buildings £	Leasehold improvements £	Vehicles, office and computer equipment £	Total £
Cost:				
At 1 September 2020	1,323,383	39,245	152,417	1,515,045
Additions	-	-	43,214	43,214
Disposals	-	-	(3,840)	(3,840)
Disposals of subsidiaries	(51,242)	-	(43,940)	(95,182)
Reclassification to programme related investments on disposal (note 17)	(1,272,141)	-	-	(1,272,141)
At 31 August 2021	-	39,245	147,851	187,096
Depreciation:				
At 1 September 2020	47,998	7,850	132,635	188,483
Charge for the year	12,627	31,395	18,470	62,492
Eliminated on disposals	-	-	(3,840)	(3,840)
Eliminated on disposal of subsidiaries	(2,263)	-	(17,079)	(19,342)
Eliminated on reclassification to programme related investments on disposal	(58,362)	-	-	(58,362)
At 31 August 2021	-	39,245	130,186	169,431
Net book value:				
At 31 August 2020	1,275,385	31,395	19,782	1,326,562
At 31 August 2021	-	-	17,665	17,665

Outstanding mortgages of £Nil (2020: £587,885) in relation to the properties are secured on the properties included in land and buildings.

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Charity	Leasehold improvements £	Office and computer equipment £	Total £
Cost:			
At 1 September 2020	39,245	12,116	51,361
Additions	-	1,806	1,806
Disposals	-	(3,840)	(3,840)
At 31 August 2021	39,245	10,082	49,327
Depreciation:			
At 1 September 2020	7,850	12,022	19,872
Charge for the year	31,395	996	32,391
Eliminated on disposals	-	(3,840)	(3,840)
At 31 August 2021	39,245	9,178	48,423
Net book value:			
At 31 August 2020	31,395	94	31,489
At 31 August 2021	-	904	904

Leasehold improvements in relation to Winship House was fully written down, as the break clause was exercised, allowing the lease term to end on 28 Sept 2021. A Deed of Variation was signed in Sept 2021, allowing Red Balloon of the Air and the Charity to remain in the property beyond this date, on 4 months notice.

16 Fixed asset investments

Group and Charity	2021 £	2020 £
Investments are allotted to each range as follows:		
UK Unit Trust	17,743	17,193
Equities	46,996	40,080
Listed Investments	64,739	57,273
Cash	121,135	121,734
	185,874	179,007

LISTED INVESTMENTS	2021 £	2020 £
At market value:		
Quoted at 1 September	57,273	57,402
Gains/(Losses) on investments	7,466	(129)
At 31 August	64,739	57,273
Historical cost of investment	52,605	52,605

17 Programme Related Investments

Properties rented to other Red Balloon Centres:	Group £	Charity £
Cost or valuation:		
At 31 August 2020	1,447,963	2,720,104
Reclassification from tangible fixed assets on disposal of subsidiaries (note 15)	1,272,141	-
At 31 August 2021	2,720,104	2,720,104
Net book value:		
At 31 August 2020	1,447,963	2,720,104
At 31 August 2021	2,720,104	2,720,104

Programme related investments represented by:

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
76 Earlham Road, Norwich	700,740	700,740	700,740	700,740
220-222 Kings Road, Reading	545,762	-	545,762	545,762
13 Kenton Road, Harrow	747,223	747,223	747,223	747,223
57 Warkworth Terrace, Cambridge	726,379	-	726,379	726,379
Total	2,720,104	1,447,963	2,720,104	2,720,104

Outstanding mortgages of £1,321,443 (2020: £757,641) in Group and £1,321,443 (2020: £1,345,526) in the Charity in relation to the properties are secured on the properties listed above.

18 Debtors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	94,995	216,689	-	-
Amounts owed by group undertakings	-	-	34,758	51,865
Amounts owed by other Red Balloon Centres	30,234	37,268	8,333	564
Prepayments and accrued income	92,796	74,960	79,303	47,709
Rent deposit	24,544	-	24,544	-
Other debtors	270	979	-	-
	242,839	329,896	146,938	100,138

19 Debtors: amounts falling due after more than one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Rent deposit	-	24,544	-	24,544

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20 Creditors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	87,752	27,177	84,364	3,610
Amounts owed to group undertakings	-	-	4,286	-
Amounts owed to other Red Balloon centres	9,120	-	8,680	-
Social security and other taxes	23,026	32,941	6,837	6,771
Other creditors and accruals	45,420	95,880	24,141	77,975
Deferred income	206,358	471,590	-	-
Mortgage due within one year	22,811	21,752	22,811	21,752
	394,487	649,340	151,119	110,108

Deferred income

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Deferred income at 1 September	471,590	453,270	-	100,000
Resources deferred during the year	206,358	471,590	-	-
Amounts released from previous years	(471,590)	(453,270)	-	(100,000)
Deferred income at 31 August	206,358	471,590	-	-

Deferred income relates to school autumn term fees, being unrestricted income, invoiced in advance of £206,358 (2020: £471,590).

21 Creditors: amounts falling due after more than one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Mortgage	1,298,632	1,323,774	1,298,632	1,323,774
Amounts owed to group undertakings	10,732	-	10,732	10,732
	1,309,364	1,323,774	1,309,364	1,334,506

Creditors: amounts falling due after more than one year include amounts not wholly repayable within 5 years as follows:

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Due within 2-5 years	111,868	98,221	111,868	108,953
Due after more than 5 years	1,197,496	1,225,553	1,197,496	1,225,553
	1,309,364	1,323,774	1,309,364	1,334,506

Mortgages are secured on the properties concerned.

The mortgages for the Cambridge, Harrow and Norwich properties are with The Cambridge Building Society and the Reading property with Saffron Building Society. The mortgages are interest only, except for 65% (2020: 67%) of the balance outstanding at the year end on the Cambridge property.

The rates at the year end were as follows:

	2021 %	2020 %
76 Earlham Road, Norwich	4.74	4.74
220-222 Kings Road, Reading	5.39	5.39
13 Kenton Road, Harrow	4.74	4.74
57 Warkworth Terrace, Cambridge	4.74	4.74

22 Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings Group		Land and Buildings Charity	
	2021 £	2020 £	2021 £	2020 £
Within one year	54,489	89,058	40,984	75,553
Within two to five years	22,718	43,316	-	7,093
After more than five years	-	-	-	-
	77,207	132,374	40,984	82,646

With the agreement of Red Balloon of the Air, Red Balloon Educational Trust issued the landlord of Winship House with notice that Red Balloon has exercised its right under the terms of the lease to initiate the break clause allowing the lease term to end on 28 September 2021.

A Deed of Variation was signed in Sept 2021, allowing Red Balloon of the Air and the Charity to remain in the property beyond this date, on 4 months notice. The earliest date on which the tenancy could have ended under the new terms was 1 February 2022. See note 25.

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23a Funds analysis – current year

Group	Balance at 1/9/2020 £	Income £	Expenditure £	Transfers £ (note 23c)	Balance at 31/8/2021 £
General Funds	842,044	3,241,847	(3,176,222)	19,545	927,214
Designated Funds:					
- Intangible & tangible fixed assets	754,179	-	-	(726,179)	28,000
- Programme related investments	690,322	-	-	708,339	1,398,661
Total unrestricted funds	2,286,545	3,241,847	(3,176,222)	1,705	2,353,875
Restricted funds					
Bursaries	112,013	5,443	(29,412)	13,897	101,941
Funding for staff training	33,033	-	(637)	-	32,396
Funding to further develop and expand the Red Balloon provision	43,062	26,387	(39,159)	-	30,290
Other restricted donations for IT and other equipment, teachers, interns etc	65,366	187,156	(209,524)	(15,602)	27,396
Total restricted funds	253,474	218,986	(278,732)	(1,705)	192,023
Total funds	2,540,019	3,460,833	(3,454,954)	-	2,545,898
Charity					
General Funds	308,899	747,980	(511,642)	11,669	556,906
Designated Funds:					
- Intangible & tangible fixed assets	46,991	-	-	(35,752)	11,239
- Programme related investments	1,374,578	-	-	24,083	1,398,661
Total unrestricted funds	1,730,468	747,980	(511,642)	-	1,966,806
Restricted funds					
Bursaries	104,310	5443	(7,812)	-	101,941
Funding for staff training	33,033	-	(637)	-	32,396
Other restricted donations for IT and other equipment, teachers, interns etc	24,628	77,292	(84,304)	-	17,616
Funding for expansion of the Red Balloon provision	6,944	25,014	(15,060)	-	16,898
Total restricted funds	168,915	107,749	(107,813)	-	168,851
Total funds	1,899,383	855,729	(619,455)	-	2,135,657

23b Funds analysis – prior year

Group	Balance at 1/9/2019 £	Income £	Expenditure £	Transfers £ (note 23c)	Balance at 31/8/2020 £
General Funds	648,119	2,618,800	(2,409,928)	(14,947)	842,044
Designated Funds:					
- Intangible & tangible fixed assets	713,431	-	-	40,748	754,179
- Programme related investments	690,426	-	-	(104)	690,322
Total unrestricted funds	2,051,976	2,618,800	(2,409,928)	25,697	2,286,545
Restricted funds					
Bursaries	139,973	47,903	(75,863)	-	112,013
Funding for regional scouts and mentors	14,591	58,850	(73,540)	99	-
Funding for staff training	33,920	-	(887)	-	33,033
Funding to further develop and expand the Red Balloon provision	66,523	205,429	(229,286)	396	43,062
Other restricted donations for IT and other equipment, teachers, interns etc	74,104	86,490	(69,036)	(26,192)	65,366
Total restricted funds	329,111	398,672	(448,612)	(25,697)	253,474
Total funds	2,381,087	3,017,472	(2,858,540)	-	2,540,019
Charity					
General Funds	270,085	724,706	(651,975)	(33,917)	308,899
Designated Funds:					
- Intangible & tangible fixed assets	35,564	-	-	11,427	46,991
- Programme related investments	1,352,088	-	-	22,490	1,374,578
Total unrestricted funds	1,657,737	724,706	(651,975)	-	1,730,468
Restricted funds					
Bursaries	136,183	43,990	(75,863)	-	104,310
Funding for staff training	33,920	-	(887)	-	33,033
Other restricted donations for IT and other equipment, teachers, interns etc	42,705	57,038	(75,115)	-	24,628
Funding for expansion of the Red Balloon group	-	170,000	(163,056)	-	6,944
Total restricted funds	212,808	271,028	(314,921)	-	168,915
Total funds	1,870,545	995,734	(966,896)	-	1,899,383

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23c Funds analysis – fund types

During the year, there were net transfers from restricted to unrestricted funds of £1,705 (2020: £25,697) in Group and £Nil (2020: £Nil) in the Charity.

In the Group in the current year, £13,897 was transferred from unrestricted to restricted funds in Red Balloon Learner Centre Reading, as approved by the Reading Trustees in Mar 2021, to the Bursaries fund.

Also in the Group in the current year, £15,000 was transferred from restricted to unrestricted funds in relation to a restricted grant for a minibus at Red Balloon Learner Centre Reading. The restriction was satisfied upon the purchase of the vehicle and the fund transferred to unrestricted. Similarly, a further £602 was transferred from restricted to unrestricted funds in relation to a grant for a garden extension at Red Balloon Learner Centre Cambridge.

£54,451 is included within restricted expenditure in the Group in the current year in relation to the disposal of subsidiaries. £35,434 is in relation to Red Balloon Learner Centre Reading and £19,017 relates to Red Balloon Learner Centre Cambridge.

In the Group in the prior year, £24,857 was transferred from restricted to unrestricted funds in relation to a restricted grant for a garden extension at Red Balloon Learner Centre Cambridge. The restriction was satisfied upon the completion of the extension and the fund transferred to unrestricted. Similarly, a further £1,335 was transferred from restricted to unrestricted funds in relation to a grant for kitchen refurbishment.

Restricted Funds

- Bursaries fund – Grants received to enable the charity to directly support individual students at Red Balloon of the Air and Red Balloon Learner Centres.

- Staff training and development fund – Funds awarded for general staff development and for the staff conference in September 2020 (postponed due to COVID-19 therefore to be used for the next staff conference).

- Red Balloon Development and Expansion fund – funds awarded to help with the growth and development of Red Balloon of the Air and the Red Balloon Learner Centres, including grants totalling over £17,000 in the current year for the establishment of a new centre in Worthing and a £160,000 grant in the prior year, for the expansion of Red Balloon Learner Centre NW London.

- Other restricted donations fund – Individual grants and donations for specific resources. These have contributed towards the purchase of laptops and other educational resources, as well as funding certain teaching, managerial and administration posts. In the prior year, this included a grant specifically for a garden extension at Red Balloon Learner Centre Cambridge.

Designated Funds used for the purposes of fixed assets

- These represent the net book value of intangible fixed assets, tangible fixed assets and of programme related investments at the year end, after deducting outstanding mortgages due on the properties.

24a Analysis of net assets by funds – current year

Group	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	-	10,335	10,335
Tangible fixed assets	-	17,665	17,665
Fixed asset investments	-	185,874	185,874
Programme related investments	-	2,720,104	2,720,104
Current assets	192,023	1,123,748	1,315,771
Creditors due within one year	-	(394,487)	(394,487)
Creditors due in more than one year	-	(1,309,364)	(1,309,364)
	192,023	2,353,875	2,545,898

Charity	£	£	£
Intangible fixed assets	-	10,335	10,335
Tangible fixed assets	-	904	904
Fixed asset investments	-	185,874	185,874
Programme related investments	-	2,720,104	2,720,104
Current assets	168,851	510,072	678,923
Creditors due within one year	-	(151,119)	(151,119)
Creditors due in more than one year	-	(1,309,364)	(1,309,364)
	168,851	1,966,806	2,135,657

24b Analysis of net assets by funds – prior year

Group	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	-	15,502	15,502
Tangible fixed assets	-	1,326,562	1,326,562
Fixed asset investments	-	179,007	179,007
Programme related investments	-	1,447,963	1,447,963
Current assets	253,474	1,290,625	1,544,099
Creditors due within one year	-	(649,340)	(649,340)
Creditors due in more than one year	-	(1,323,774)	(1,323,774)
	253,474	2,286,545	2,540,019

Charity	£	£	£
Intangible fixed assets	-	15,502	15,502
Tangible fixed assets	-	31,489	31,489
Fixed asset investments	-	179,007	179,007
Programme related investments	-	2,720,104	2,720,104
Current assets	168,915	228,980	397,895
Creditors due within one year	-	(110,108)	(110,108)
Creditors due in more than one year	-	(1,334,506)	(1,334,506)
	168,915	1,730,468	1,899,383

RED BALLOON EDUCATIONAL TRUST
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25 Events after the balance sheet date

On 12 October 2021, the operations, assets and liabilities of Red Balloon of the Air were transferred to its parent company, Red Balloon Educational Trust. The employees of Red Balloon of the Air at that date were transferred to Red Balloon Educational Trust in accordance with the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006. Red Balloon of the Air, being a fully owned subsidiary of Red Balloon Educational Trust, is already included in these consolidated financial statements. 'Red Balloon of the Air' has been registered as a working name of Red Balloon Educational Trust with the Charity Commission.

Red Balloon Worthing, a new Centre expanding the Red Balloon provision into West Sussex, is due to open in September 2022, following refurbishment works of the property. In March 2022, a 15 year lease was enacted for the property at 52-54 Windsor Road, Worthing.

With the agreement of Red Balloon of the Air, in February 2021 Red Balloon Educational Trust issued the landlord of Winship House, where both entities are based, with notice that Red Balloon has exercised its right under the terms of the lease to initiate the break clause allowing the lease term to end on 28th September 2021. A Deed of Variation was signed in September 2021, extending the lease term on 4 months notice, upon payment of the break fee of £24,544. 4 months notice was issued in April 2022.

Leasehold improvements in relation to Winship House was fully written down in the year ended 31 August 2021. At 31 August 2020, the net book value of Winship House leasehold improvements was £31,395.

After the year end, Red Balloon Educational Trust agreed to sell and repay the outstanding mortgage on one of its programme related investments property, 13 Kenton Road, Harrow.

In May 2022, the Trustees of Red Balloon Educational Trust resolved to liquidate all holdings with Investec and for those funds, together with the cash funds held with Investec, to be remitted to its general purpose CAF bank account. The decision was made in order to consider other investment options. The total value of funds held with Investec as at 31 August 2021 was £185,874 (see note 16).

26 Related party transactions

Analysis of related parties – current year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon of the Air	34,758	4,286	187,202	11,696
Red Balloon Norwich	1,334	-	39,415	-
Red Balloon Reading	-	122	34,106	-
Red Balloon Cambridge	5,666	19,250	50,212	450
Red Balloon North West London	1,333	40	44,860	-
	43,091	23,698	355,795	12,146

Analysis of related parties – prior year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon of the Air	45,458	-	203,316	113,270
Red Balloon Norwich	458	-	39,019	-
Red Balloon Reading	2,374	-	33,482	-
Red Balloon Cambridge	4,033	10,732	50,863	26,635
Red Balloon North West London	106	-	45,346	145,616
	52,429	10,732	372,026	285,521

Red Balloon Learner Centre Cambridge and Red Balloon Learner Centre Reading were wholly owned subsidiaries for part of the year (2020: full year) and Red Balloon of the Air was a fully owned subsidiary for the full year (2020: full year). See note 27.

There are no other related party transactions to note.

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

27 Principal subsidiaries and subsidiaries disposed during the year

The following were 100% owned subsidiary undertakings of the Charity at the start of the year:

Company name	Country	Company Number	Charity Number
Red Balloon of the Air	England and Wales	07328440	1138657
Red Balloon Learner Centre Cambridge	England and Wales	10978174	1175826
Red Balloon Learner Centre Reading	England and Wales	07150417	1136446

Red Balloon of the Air is a company limited by guarantee and a registered charity. Total funds as at 31 August 2021 were £410,243 (2020: £189,239), which comprised of assets of £709,992 (2020: £614,196) and liabilities of £299,749 (2020: £424,957). The charity had income during the year of £1,635,836 (2020: £1,384,559) and expenditure of £1,414,832 (2020: £1,382,138), giving net income for the year ended 31 August 2021 of £221,004 (2020: £2,421).

During the year, Red Balloon Learner Centre Cambridge and Red Balloon Learner Centre Reading ceased to be consolidated, due to the FRS102 definition of control no longer being met. Control was lost on 11 May 2021 and 19 May 2021 respectively, the dates on which other members were appointed and Red Balloon Educational Trust, therefore, ceased to be the sole member. Red Balloon Educational Trust was not consulted about these appointments which further demonstrates loss of control.

Red Balloon Learner Centre Cambridge is a company limited by guarantee and a registered charity. It is consolidated up to and including 11 May 2021 and its reserves on 11 May 2021 of £446,764 have been taken to expenditure during the year (£19,017 restricted and £427,747 unrestricted) which represent the net assets on ceasing to be a group member. Its net assets were £241,701 at the start of the year. The charity had income during the consolidated period, between 1 September 2020 and 11 May 2021, of £718,334 (2020: £459,556) and expenditure of £513,271 (2020: £443,636), giving net income, included in the group results for the period of £205,063 (2020: £15,920).

The accounts of Red Balloon Learner Centre Cambridge for the year ended 31 August 2021, filed at Companies House dated 6 Jun 2022 (received at Companies House on 27 May 2022), still state that 'Red Balloon Learner Centre Cambridge is owned 100% and controlled by Red Balloon Learner Centre Group' (p23 Controlling Party note). Red Balloon Educational Trust believes this statement to be incorrect and that control ceased on 11 May 2021.

Red Balloon Learner Centre Reading is a company limited by guarantee and a registered charity. It is consolidated up to and including 19 May 2021 and its reserves on 19 May 2021 of £403,424 have been taken to expenditure during the year (£35,434 restricted and £367,990 unrestricted) which represent the net assets on ceasing to be a group member. Its net assets were £251,892 at the start of the year. The charity had income during the consolidated period, between 1 September 2020 and 19 May 2021, of £536,069 (2020: £587,956) and expenditure of £384,537 (2020: £461,378), giving net income, included in the group results for the period of £151,532 (2020: £126,578).

RED BALLOON EDUCATIONAL TRUST
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

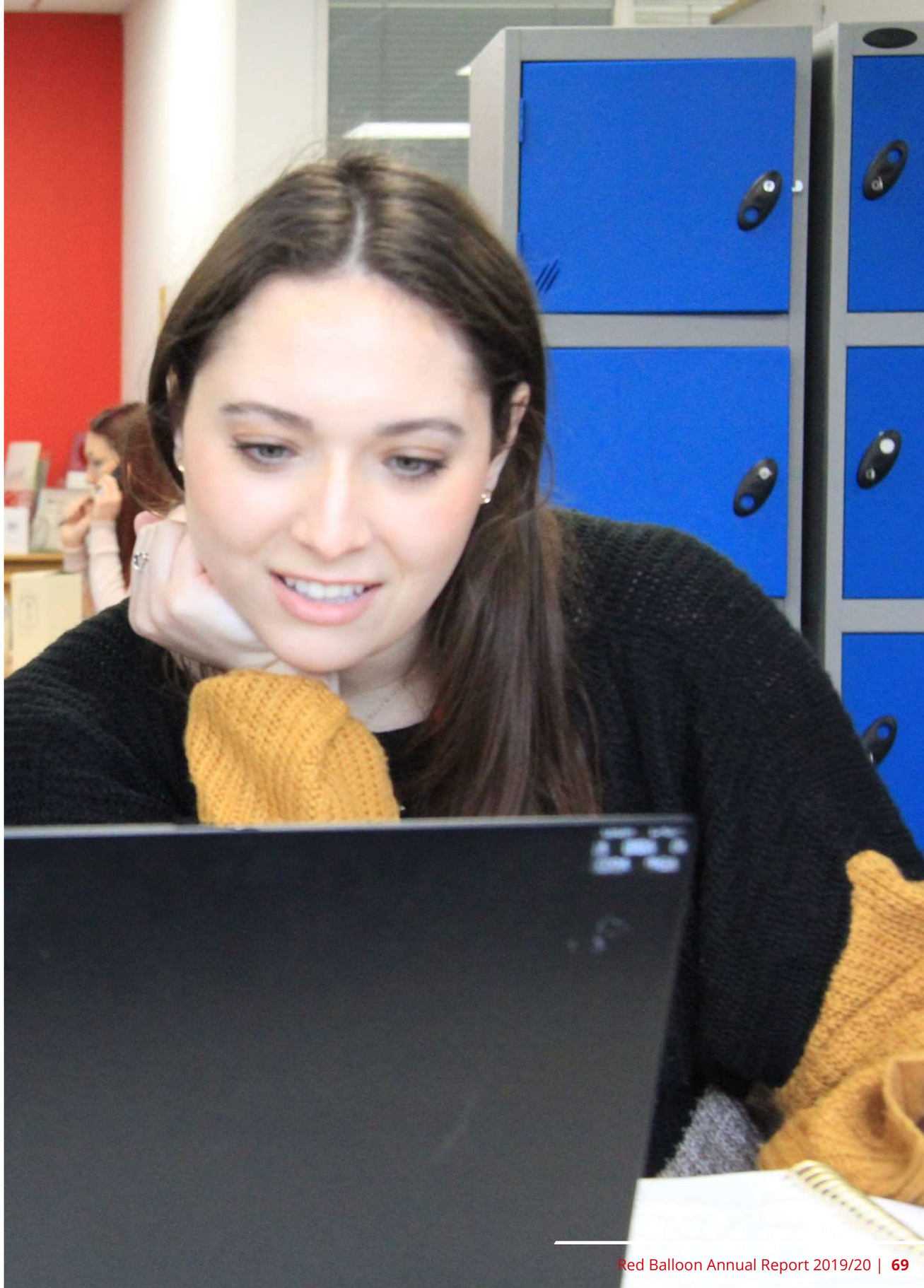
28 Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	**5,879**	**158,932**
Adjustments for:		
Amortisation charges	5,167	5,168
Depreciation charges	62,492	39,807
(Profit)/Loss on disposal of tangible fixed assets	-	(2,178)
Loss on tangible fixed assets arising on disposal of subsidiaries	75,840	-
Depreciation eliminated on reclassification to programme related investments on disposal of subsidiaries	(58,362)	-
(Gains)/Losses on investments	(7,466)	129
Investment management charges	599	601
Decrease/(Increase) in debtors	111,601	(115,365)
(Decrease)/Increase in creditors	(245,180)	31,341
Net cash (used in)/provided by operating activities	**(49,430)**	**118,435**

29 Analysis of changes in net debt

	Balance at 1/9/2020 £	Cash flows £	Other non-cash changes £	Balance at 31/8/2021 £
Cash and cash equivalents:				
Cash	1,189,659	(116,727)	-	1,072,932
Borrowings:				
Debt due within one year	(21,752)	24,083	(25,142)	(22,811)
Debt due after one year	(1,323,774)	-	25,142	(1,298,632)
	(1,345,526)	24,083	-	(1,321,443)
Total	(155,867)	(92,644)	-	(248,511)

Borrowings relate to mortgages on the 4 properties owned by Red Balloon Educational Trust.





Red Balloon Educational Trust
(a company limited by guarantee)

Annual Report and Financial Statements
for the year ended 31 August 2021

Registration No. 5385341
(England and Wales)
Charity No. 1109606

@RedBalloonEdu
@RedBalloonEducation

www.redballoonlearner.org

Sign up to our e-newsletter at
www.redballoonlearner.org/mailinglist

Red Balloon Educational Trust

England & Wales - Charity number 1109606

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CB24 6AP

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Charity no: 1109606

www.redballoonlearner.org

Registered with FUNDRAISING REGULATOR

Red Balloon Learner Centre Group

Annual Report 2019/20



Red Balloon LEARNER CENTRES
For the recovery of bullied children

My experience with Red Balloon has been amazing. I started here in 2018 and the first day I walked into the community room I was welcomed as if I had been a student for years.

I soon came out of my shell, and making friends here was almost effortless. The teachers at Red Balloon encouraged me to take my GCSEs which I never thought I'd ever be able to take in my life.

This school helps children like me who find mainstream school difficult, and turns them into students who can excel in any subject they choose, from Maths and English or even Design and Technology.

Jamie, Red Balloon Reading



For young people like Jamie, normal student life can seem a world away. It can fill them with dread to the extent that they simply can't face going to school any more. Red Balloon provides a stepping stone to get their lives back on track.

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Introduction from the Chair

"Jamie has come so far. When I think back a few years, he was in such a delicate state. Jamie's future is looking so much more positive now that I honestly don't think there is any stopping him! I cannot tell you how proud I am of him. Jamie would not be the person he is now if it wasn't for Red Balloon!"

Sometimes a mum's words really stay with you, and I can't tell you how delighted I was to hear of how Jamie has got his learning and his life back on track.

Red Balloon students have achieved great things this year. Of those who took GCSE maths, for example, 72% received grades 4 to 9 (the old grades C to A*), and 78% achieved the same in English. They gained a whole host of other qualifications alongside!

No grade on a certificate can ever express just how amazing our students are, however. Between them, they have overcome a whole range of challenges such as bullying, post traumatic stress disorder, severe anxiety and depression, complete loss of confidence and agoraphobia.

We are enormously proud of them, and while it can be an emotional time to see them go, we are comforted by the fact that 90% of learners successfully move on to further education, training or work after their time with Red Balloon. We wish them well and are looking forward to hearing about their futures.

But we know that helping children get back on an academic track is only part of what they need to overcome the challenges they face and prepare for their adult lives.

Students' wellbeing comes first and this year 84% of leavers reported improved wellbeing since joining Red Balloon; this is perhaps our most important marker of success.

More children should have this opportunity to succeed so we have ambitious plans for Red Balloon's future, as outlined later in this report. We were delighted to welcome Rob Watson as our new Director of Education in January 2020 to help drive these developments forward. Rob joins us after 30 years as a secondary school teacher, including over 20 years as a senior leader. His previous roles have included Head of School, Deputy Head (Pastoral Care) and eight years as Executive Head Teacher of an Academy Trust.

We also look forward to reaching more young people like Jamie in the years to come, and thank you for being part of their journeys. We are so grateful for your ongoing support.

With warm regards



Bev Williams
Chair of Trustees

About Red Balloon

Red Balloon provides a full-time educational and therapeutic programme for young people aged 10 to 18 who are out of school and unable to attend due to severe bullying, anxiety or illness. Students come to us because they are missing out on their education and are becoming increasingly socially marginalised at home. They risk falling through the cracks of the education and mental health systems and failing to find their place in the adult world.

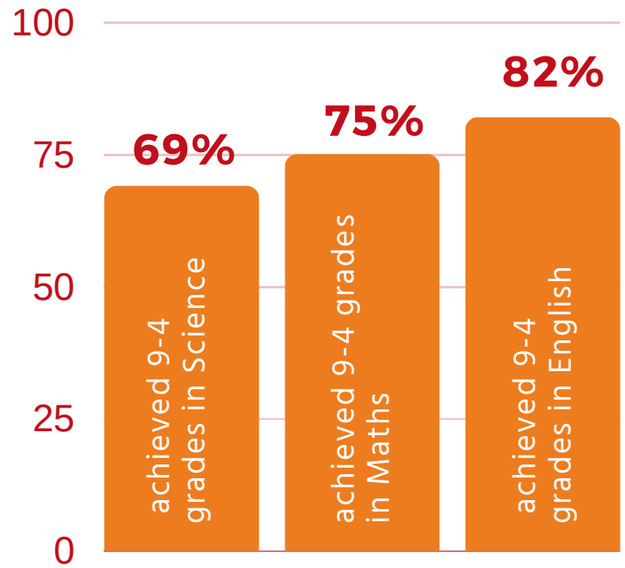
Thanks to the support we receive from generous donors, we are able to rebuild students' self-confidence, rekindle their desire to learn and succeed, and enable them to move on to further education, training or work.

We know that school isn't for everyone, but we believe education should be. With potentially almost 60,000 children in England missing from state schools because of bullying, our work has never been more important.

In this annual report you'll see how, in partnership with our donors, commissioners and other supporters, we're doing all we can to ensure all the children we care for get the encouragement they need to find their feet again and thrive.

Our year at a glance

Our students achieve amazing things. Of those who 'graduated' from our Centres in July 2019:



This year, across 14 counties in England we supported:



163 *children total*

133 *with Education and Health Care Plans*

And provided over:

13,500 *hours of teaching*

3100 *hours of well-being support*

2500 *hours of mentoring*



Our locations

We have five Centres. Four are based in domestic houses in Cambridge, Norwich, NW London and Reading. They do not resemble schools.

The fifth is an online and face-to-face service based in Cambridge but covering more than 14 different counties, with several face-to-face hubs (also known throughout Red Balloon as satellite centres).

Red Balloon Learner Centre Group acts as the coordinating and service centre for the Centres. These entities are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement.

Red Balloon legally restructured in 2017-18: the Red Balloon Reading and Red Balloon Cambridge entities joined the Red Balloon consolidated group during 2017-18, together with Red Balloon of the Air, as required by UK accounting standards.



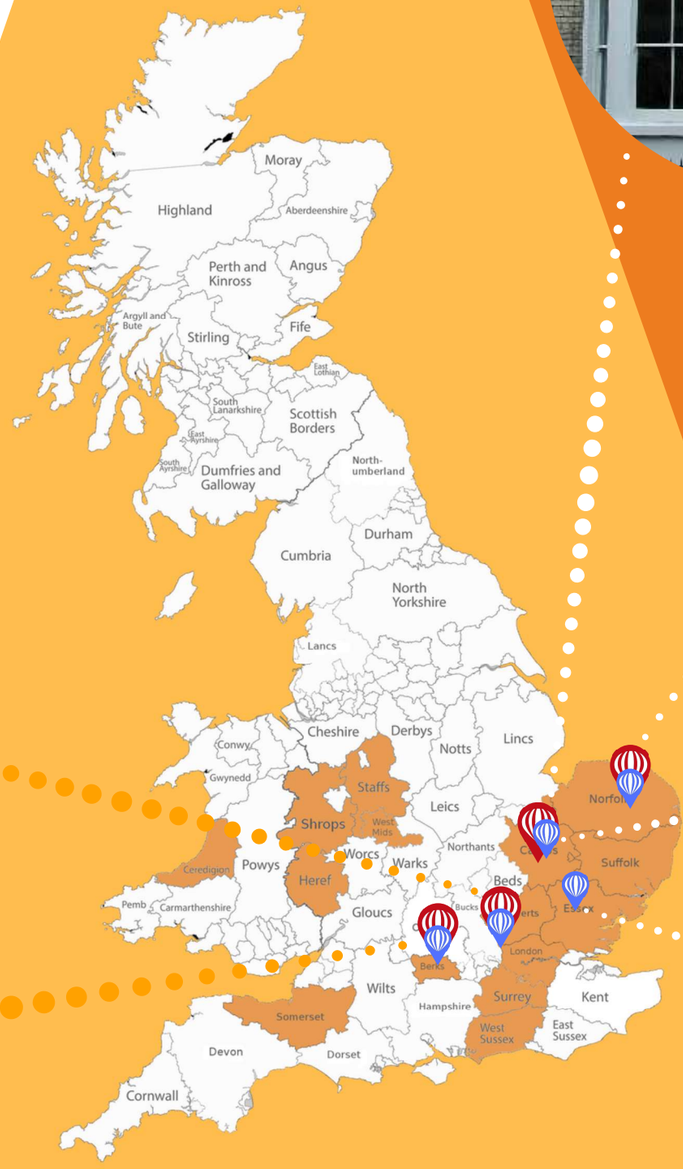












Message from the Director of Education

Red Balloon Learner Centre Group provides the underpinning support and organisational development for the network of Learner Centres. We provide strategic educational, wellbeing, IT, HR, fundraising, communications and administration support, so that staff in the Centres can focus on what they do best – changing the lives of bullied and vulnerable young people.

The impact of Covid-19 and lockdown from March 2020 was felt across Red Balloon Centres including Group. Our students, who are all classed as "vulnerable", typically due to their high levels of anxiety, reported declines in their overall wellbeing, mirroring the national mood but from their already low starting points. The student-facing work of our Centres became, and continues to be, critical in addressing this.

Our staff have done an incredible job working flexibly, as rules and advice have changed, to remain safely open, be it remotely, face-to-face or a hybrid of both. They have ensured that students are receiving the individual support that is best for them, despite the pandemic.

We are particularly thankful to our staff teams, who have shown incredible resilience and determination to keep supporting students throughout all the challenges of the year.

The unprecedented financial impact of the pandemic has made us further thankful for our donors whose means allowed them to continue to give during the year. Each donation has made a great impact and enabled further mental health support for our students to meet their increased needs during the uncertainty of the pandemic.

Despite the global climate, this year has delivered some exciting positives, with the first steps towards the fulfilment of our ambition to grow so as to support additional young people.

Our Centre at Cambridge has opened a second location in the city, and after a short time supporting students virtually, started welcoming face-to-face students. With a mixture of new and current staff across the two locations, the new school has allowed an additional 18 students to have places at Red Balloon.

This year also saw us launch our new website, updating our online home to better showcase the provision we offer and the experiences of young people who so kindly share their stories. We've also given higher profile to our fundraising appeals, events and impact to reiterate how important charitable gifts are in ensuring vulnerable children can grow up into independent, resilient young adults.

Students' voices remain at the centre of all we do, and we will continue to support our young people through whatever challenges may lie ahead.

As we look to the future we know it will be another unusual year, but we remain positive about the continued support we will provide students. Our specialised education, wellbeing and social re-engagement programme will continue. The support we offer; putting the student voice first, celebrating personal achievements of every kind, and placing the mental health of students front and centre, will be a constant in the shifting pandemic landscape.

Warm regards



Rob Watson
Director of Education



Our values, ethos and practice

Carrie Herbert MBE, Red Balloon's Founder, gives an overview of Red Balloon's values, ethos and practice



Red Balloon Learner Centres were created to be safe and supportive learning communities for vulnerable young people who have been severely bullied, lost their confidence or have suffered trauma or mental illness.

Our students have usually been out of school for some time, in some cases years, and have often lost their trust in peers, adults and the education system. But they can begin to learn again if they feel safe, are listened to, valued and respected. Building trusted, open, respectful and inclusive relationships are at the heart of all we do, and we put the student voice first.

Students are given the support they need to:

- **rebuild their self-esteem and grow as individuals**
- **develop resilience and a positive self-image**
- **build the learning skills they need to succeed when they return to school, move on to further education or enter the world of work.**

Step into any of our Centres and you will feel warmth and an air of supportive companionship, with small groups of students engaged in creative activity and serious learning. Children thrive thanks to the three core components of our programme - wellbeing, community and education - which provide them with holistic support. You can read more about each of our components in later pages.

To maintain our supportive learning communities we ensure that we:

- **treat our students with respect and kindness, using restorative approaches**
- **listen to our students and respond to their concerns**
- **establish communities to which our students and staff feel they belong and to which they contribute**
- **design individualised, negotiated educational and wellbeing plans to enable students to meet their goals**
- **combine academic study with social and emotional recovery programmes**
- **encourage creativity at all levels.**

Wellbeing

Psychological and emotional support to help students overcome their challenges

> Mainstream schools didn't take time out to talk with me about what my problems and insecurities were. But with Red Balloon they were there supporting me from the get go and everything sort of worked around what I was comfortable doing.



Our vulnerable students benefitted from the support of 16 wellbeing professionals and 33 mentors in 2019/20.

Every child should have the support they need to grow into happier, more resilient, confident and independent adults.

The young people who join us have reached such a point of crisis in their lives, that they can no longer cope in a mainstream educational setting. Our approach allows them to develop their self-belief and re-engage with education at a pace that supports their recovery. Nurturing students' wellbeing is of paramount importance, before and throughout their academic studies. At Red Balloon, trained therapists provide timetabled individual psychological support which may include talking, music, art, play or equine therapy so students can explore their personal wellbeing concerns and overcome their challenges.

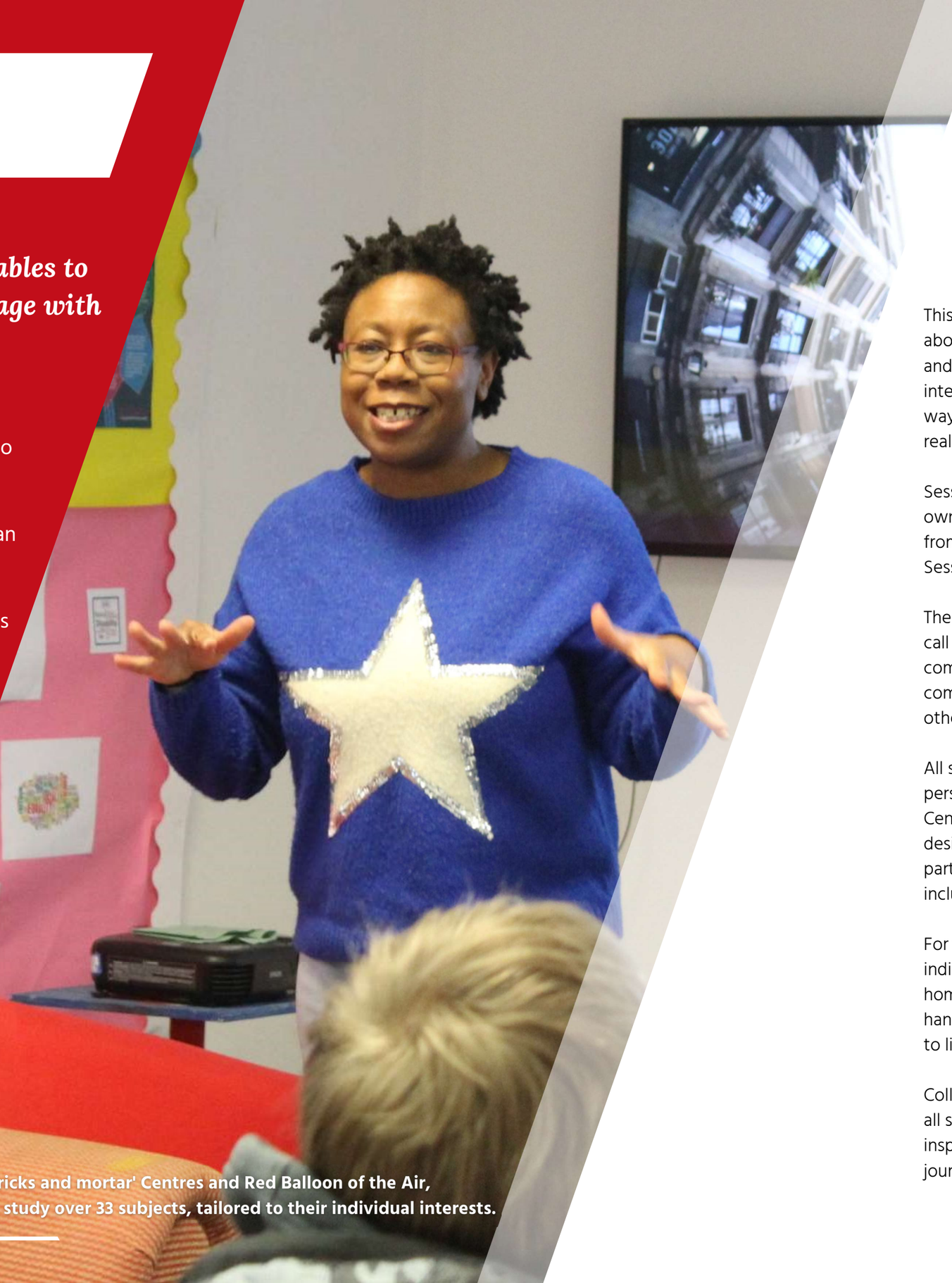
Students are also offered wellbeing sessions from non-competitive sports and physical exercise, to mindfulness walks, swimming, skateboarding and boxing. They may take part in yoga and meditation, alongside different assertiveness and relaxation techniques. Sometimes a member of staff even brings in their dog, which can be especially reassuring for those students who have trouble trusting people. Students are also encouraged to engage with the healing power of nature through activities such as gardening projects, forest school and the Duke of Edinburgh awards.

Many of our Red Balloon of the Air students are too anxious to attend a Centre, so in addition to timetabled therapy, mentors visit them at home. They support students' social progress through gradual steps, from standing outside the front door, to walking the dog, to going into town. When they're ready, students attend sessions at our community hubs in Milton and Danbury to join in wellbeing and social activities with their peers- such as Bake Off or crazy golf - and develop their social skills in a safe environment.

Education

Individualised timetables to help students re-engage with learning

> I really value the approach to ability and flexibility. The teachers are easy to approach and the lessons can be tailored to help the students. Because the class sizes aren't so huge, sessions can be individualised.



Between our four 'bricks and mortar' Centres and Red Balloon of the Air, students are able to study over 33 subjects, tailored to their individual interests.

All children should be able to negotiate their own curriculum to ensure their academic interests and goals are being met.

This means that teachers use topics that students are passionate about such as horse riding, manga comics, paintball or car racing, and creatively link them to curricular subjects to rekindle their interest in learning. We understand that we all learn in different ways and Red Balloon embraces this principle to allow students to really thrive.

Sessions are carefully planned so each child can progress at their own pace. Over the course of their time with us, students progress from one-to-one to small group sessions of no more than six. Sessions are 45 minutes long and there are six sessions in the day.

The mood at Red Balloon is informal, with no uniform, and students call staff by their first names. At the heart of our Centres are big communal kitchens and dining spaces where students and staff come together, eat freshly cooked lunches, celebrate birthdays and other occasions, play games or discuss matters of the day.

All students have access to English, maths, science, humanities, and personal, social, health, and economic education (PSHEE). Some Centres also offer food technology, languages, psychology, history, design technology and PE, among other subjects. Children also take part in a whole host of extra-curricular opportunities which might include badminton and kayaking, for example.

For those studying with Red Balloon of the Air, they follow equally individualised timetables and take online, real-time lessons from home. Our teaching team makes use of innovative techniques and hands-on practicals delivered electronically to bring the curriculum to life.

Collaboration between Centres and Red Balloon of the Air ensures all students benefit from a bespoke curriculum pathway designed to inspire, educate and prepare them for the next stage of their journey in becoming successful adults.

Social re-engagement

Supporting students to re-engage with their peers and the communities around them

> I am now able to trust people and be more sociable and I have begun to develop long-lasting friendships that I have not had for such a long time.



In 2019/20, our Red Balloon of the Air students were given individual support from a dedicated team of 16 mentors.

Every child should have a sense of belonging, be able to socialise with people who understand them and be equipped to make their way in the world.

Before joining Red Balloon, most of our students have excluded themselves from school and subsequently become stranded at home. Most have lost their friendships and routines, and become socially isolated. They begin to miss out on the day-to-day social interactions and development of personal skills which shape our lives.

Students may need help developing their confidence to use the bus independently, for example, make a phone call or use a cashpoint. As their time with Red Balloon comes to an end, mentors may help students plan the route to their college, familiarise them with the campus in advance, and identify where to go for help or to find quiet space.

This is particularly true for students studying with Red Balloon of the Air - most of whom have been missing from school for extended periods. For these vulnerable young people, mentors work skillfully to develop their self-confidence at a pace that ensures their personal growth is sustainable.

Students may even need help to talk to someone outside of their immediate family, so mentors have to start their engagement by talking through the bedroom door, carefully coaxing them to meet in the dining room, take a step into the garden, take a walk with their dog and more, until they are ready take part in face-to-face sessions.

Celebration days and trips planned by students further support their personal and social development. These events push them to research, plan and organise together and to navigate real world tasks such as public transport, and are big achievements for students as well as being fun opportunities to experience something new.

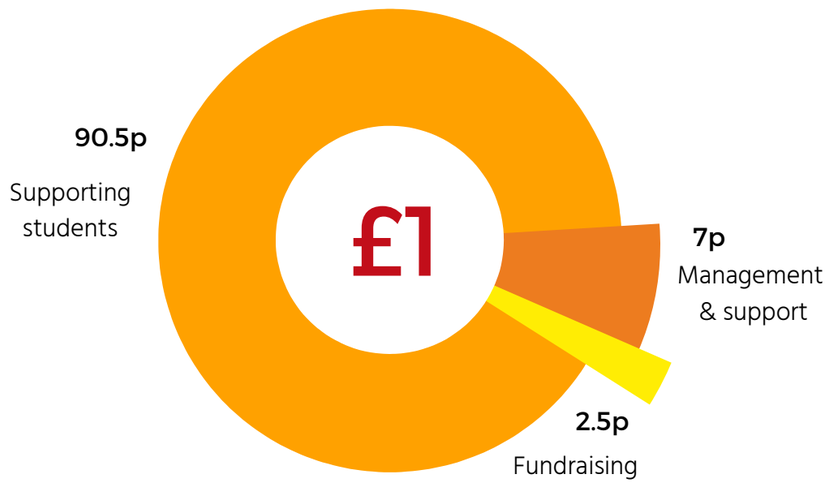
Fundraising: a year of amazing support

Very special thanks to:

The AB David Charity
BBC Children In Need
John Beddington
Cambridgeshire Community Foundation
Cooke Curtis and Co
Clifford Curry
DG Marshall of Cambridge Trust
The Earley Charity
Edie Eligator and Robert Sansom
Naomi Feinstein
Firebrand Associates Limited
Garfield Weston Foundation
Homelands Charitable Trust
Nic Humphries
The Ingles Charitable Trust
The National Lottery Community Fund
Newmarket & Thurlow Pony Club
Diarmuid Ó Séaghdha
Patricia Routledge Charitable Trust
Philip King Charitable Trust
Pye Foundation
Qualcomm Foundation
Mike and Carol Romanos
Simon Gibson Charitable Trust
St James's Place Charitable Foundation
The Tylers and Bricklayers Charitable Trust
Bruce Urquhart
The Worshipful Company of Cutlers

Supporters of Red Balloon Group, RBAir, RB-Cambridge and RB-Reading who have given £1,000 or more in donations or in kind in 2019/20.

Across Red Balloon in 2019/20, 90.5p of every £1 we received was spent directly on supporting students:



We cannot operate effectively without good management and fundraising efforts.
Last year 7p of every £1 was spent on management and support and 2.5p was spent on raising funds.

Supporter case study: Curiosity 2.0

BBC Children in Need is a great supporter of our work and we are proud to have them as a partner again. Their vision, that children and young people in the UK have a safe, happy and secure childhood and the chance to reach their potential, aligns so neatly with our own.

Their support enabled the creation of an extracurricular science club at our Cambridge and Red Balloon of the Air Centres.

Curiosity 2.0

A partnership between BBC Children in Need and Wellcome, Curiosity

£63,624 from 2019 to 2021

In collaboration with the Wellcome Trust, BBC Children in Need's joint programme with Wellcome, Curiosity, provides funding for organisations which run exciting and engaging science activities. Students studying with Red Balloon of the Air and Red BalloonCambridge will benefit from this grant, following on from a pilot of the programme in 2018.

Adam Southwell, science teacher at Red Balloon Cambridge, said:

"We are introducing a programme of visits and extra-curricular events to enrich the experiences of our children. We have a trip to Shepreth Wildlife Park planned, and are also hoping to make visits to the Leicester Space Centre, Fen Drayton Lakes Country Park and the Science Museums in London."

Students and staff in the science club organised a trip to Shepreth Wildlife Park, here's what some of the students thought:

> "It was fun. The animals were the best."

> "It was a good plan to get socially anxious students interacting in a fun environment."



With BBC Children in Need and Wellcome, Curiosity's help, 26 students have benefitted from a programme of scientific activities and extra-curricular events.

Our plans for the future

Our strategic objectives for the next three years are to:

Improve the way students are supported

- We will work with the student body to improve the measurement tools we use to assess their progress and achievement.
- We will make effective use of existing and explore new technologies to enhance students' learning and wellbeing experiences.
- We will continue to provide flexible and additional support to minimise the impact of COVID restrictions on students' attainment.

Reach more isolated and vulnerable children

To meet growing need, we will expand Red Balloon so we can meet the needs of more bullied, anxious and traumatised children by:

- opening Centres in two new locations
- encouraging the expansion of two existing Centres - by 20 children each.
- supporting the increase of the number of students on Red Balloon of the Air.

Inspire more people to support our work

- We will diversify our funding sources to reflect the challenging fundraising landscape and to finance our growth plans.
- We will continue to develop our donor stewardship so every one of our supporters has a positive experience, however they choose to support our work.
- We will establish relationships with new charitable trusts and individual donors.
- We will strengthen our national voice and influence regarding children missing from school because of bullying, anxiety and trauma.
- We will reinforce to local authorities and other educational bodies the importance of student wellbeing; particularly in regions which we have identified for growth.



Manage our charity as effectively and efficiently as possible

- We will move towards a consolidated governance model across Red Balloon.
- We will continue to review processes to ensure transparency, accountability, responsiveness and compliance with relevant regulations and legislation.
- We will continue to identify and manage major risks to the organisation.
- We will maintain pressure on the Department for Education to accredit online education as per its commitment in June 2020
- We will develop, implement and maintain a workforce plan that enables Red Balloon to recruit, motivate, train and retain staff with the skills and competencies required to meet needs now and in the future.
- We will develop and implement a volunteer involvement programme to enrich students' Red Balloon experience.
- We will utilise appropriate existing and new technologies to enhance the ways that staff support students.

Student case study: Nathan, Red Balloon NW London

I joined Red Balloon when I was 14. I found mainstream school extremely stressful and I was bullied. The pressure of travelling to and from school was overwhelming and my classmates were mischievous and judgemental.

After I left mainstream school I went to a hospital school temporarily for a year. Hospital school was more helpful and supportive, however the journey was still stressful. I did not do all of my lessons but enjoyed being creative and attending Maths. Once it ended I was given an EHCP and then I was given the choice of two schools and I chose Red Balloon.

> **“Before I started I was worried about being in a new place and environment. I did not like the change from one school to another. Talking to new people was also a major worry for me.”**

However, when I arrived I was welcomed by the staff and they made me feel comfortable. Then I started talking to two other students which then built my confidence to talk to others.

The teachers are definitely helpful, they do care. I know this because they ask you every day. You get a lot of one to one support and challenges that help you grow in many ways. Sometimes not everything works well but a positive can always be found in their teaching.

You get opportunities you would not get at other schools - for example one to one chats that are encouraging. I liked my tailormade timetable, and I always felt there was a good sense of trust.

My time has definitely been full of many things which have had a good impact on me and I’ve learnt a lot about myself and other people. Education is key but it’s having a balance of learning and fun. People know me for certain things and I like that. My confidence has grown a lot.

> **“Red Balloon is a place to flourish and build your personality, a good balance of fun and education.”**



"You get the support you need with a nice balance of learning and having fun. Most people get on with each other and there is a sense of community."



Financial review

Risk assesment

Structure, governance and management

Financial review

Red Balloon Learner Centre Group ('the Charity') acts as the coordinating and service centre for a number of related Red Balloon Learner Centres in Cambridge, Norwich, North West London (in Harrow) and Reading, and an online provision, Red Balloon of the Air ('RBAir'). These entities are separately registered charities and companies limited by guarantee, with the local trustees as their directors; they operate under the Red Balloon name by way of an association agreement.

Red Balloon legally restructured in 2017-18: the RB-Reading and RB-Cambridge entities joined the RB consolidated group during 2017-18, together with RBAir, as required by UK accounting standards.

Consolidated income increased by £47k on prior year to £3,017k (2019: £2,970k); £94k from increase in fee income, which was mainly due to 41% higher fee income in RB-Reading, partially offset by the decrease in fee income in RBAir. Income from donations and grants decreased by £31k on prior year to £757k (2019: £788k) and income from other trading activities decreased by £56k to £Nil (2019: £56k), due to fundraising events not taking place in 2019-20. Other income increased by £38k (2019: £Nil) in relation to the Coronavirus Job Retention Scheme grant claimed by the Charity.

Costs increased by £2k on prior year to £2,859k (2019: £2,857k) despite a 17% reduction of expenditure in RBAir, due to higher costs in the other three entities; 26%, 6% and 3% increases in RB-Reading, RB-Cambridge and the Charity respectively.

Overall, there was a consolidated surplus of £159k (2019: £113k), of which £28k (2019: £75k) was attributable to the Charity, £16k (2019: £61k) to RB-Cambridge, £127k (2019: £52k) to RB-Reading, £2k (2019: £54k deficit) to RBAir and the balance of £14k deficit (2019: £21k) due to consolidation adjustments.

RBAir's fee income decreased by £144k in 2019-20 to £1,165k (2019: £1,309k) due to the drop in student numbers at the start of the year. In response to the fall in student numbers, a comprehensive restructure was carried out during the year, with the ultimate result of reducing the fixed costs and improving efficiencies across the board, placing RBAir in a strong position to weather any future fluctuations in income. These measures were complemented by a review of pricing strategy, and a renewed focus on marketing which led to a noticeable increase in demand. The result was a £278k reduction in expenditure. At 31 August 2020, RBAir held £148k (2019: £104k) of unrestricted reserves which provided approximately 1.2 months (2019: one month) of expenditure cover. With the comprehensive restructure of the business carried out in 2019-20 and the other strategies for growth, the Trustees and SLT of RBAir are aiming to gradually increase its unrestricted reserves over the following two years.

The Charity's net assets increased by £28k to £1,899k (2019: £1,871k) in the year. Its income decreased by £17k to £996k (2019: £1,013k); £56k decrease due to no income being generated from fundraising events, £2k decrease from donations and grants income, £38k increase in relation to the Coronavirus Job Retention Scheme and £3k net increase in other income categories. Costs increased by £29k to £967k (2019: £938k) due to higher expenditure in the following areas: £47k in bursaries and grants awarded to other Red Balloons; £13k in premises costs and £4k in depreciation and amortisation charges. This was partially offset by lower expenditure of 23k in fundraising expenses due to no expenditure being incurred for fundraising events, £10k in recruitment and professional costs and £2k net decrease in other areas.

At 31 August 2020, the consolidated group's net assets amounted to £2,540k (2019: £2,381k), of which approximately £1,624k (2019: £1,584k) is in fixed assets (net of mortgages).

Information on Red Balloon

Red Balloon is in the process of restructuring, and so only some entities are included in these consolidated accounts. Across all Red Balloon entities for a full year, the aggregated income amounts to £4,101k, a 3% increase on the previous year of £3,983k. Fee income increased by 4%, donations and grants income increased by 1%. Aggregate costs amounted to £3,623k, a 1% decrease on the previous year of £3,651k. The net surplus was £478k (2019: £332k).

Investment policy and performance

Surplus funds are split between CAF Bank savings accounts, paying interest at approximately 0.01% pa (2019: 0.15% pa) and funds held with Investec. Around 70% of the Investec funds are held as cash paying 0% pa (2019: 0.25% pa) interest, 10% in fixed interest investments and the remaining 20% in UK and international equities; in the year ended 31 August 2020, the average return on all Investec funds was 1.07% pa (2019: 1.14%). The Trustees believe this appropriately balanced the need for ready access, good security and investment return. Other investment options are being considered for the Investec cash funds.

Reserves policy

The trustees aim to keep reserves in line with Charity Commission guidance, and, having assessed the various risks to the Charity, believe a policy to maintain a level of free reserves at six months underlying operating costs is appropriate. Free reserves are calculated as unrestricted reserves, less fixed assets excluding fixed asset investments, net of mortgages. At 31 August 2020, the Charity held free reserves of £309k (2019: £270k), equating to around seven months (2019: six months) operating costs.

The Charity's net costs have decreased in 2020-21 due to lower staff costs following redundancies and a role not being replaced. The Trustees of the Charity, however, will continue to closely monitor the reserves position in the forthcoming year. Monies donated for a specific purpose are held as restricted reserves and separately tracked and accounted for (see financial statements and accompanying notes).

Going concern

RBAir, RB-Cambridge and RB-Reading were able to maintain their provisions despite the challenges posed by the Covid-19 situation, and have seen no major adverse impact on operations as a result of the pandemic. The continued growth in enquiries for the three entities has not been impacted by Covid-19. In the Charity, grants and donations income has not been adversely affected by Covid-19 so far either, although due to uncertainties at the start of the pandemic, six employees of the Charity were placed on furlough for varying periods. Following detailed review of the Company's forecasts and projections, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

There were no significant events affecting the Charity's financial position during the year and the Charity's financial position at the end of the reporting period remained stable. Although the Covid-19 situation has had minimal impact on the financial situation of the Charity to date, steps were taken in the latter half of 2019-20 to reduce costs, due to the risk of decrease in grants and donations income in the 2020-21 and 2021-22 financial years.

Risk assessment

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that the appropriate actions, policies and procedures are in place to mitigate, but not totally eliminate, the exposure to the major risks. These are described below:

Major risks, and impact	Mitigating actions and responses
Inadequate service provision – students fail to improve and to return to mainstream education or training.	Taster day for potential students to experience Red Balloon and agree to its operating principles. Individually negotiated curriculum for each student, and proper assessment of their needs. Recruitment of high-quality staff and counsellors who embrace Red Balloon's way of operating. Regular assessment of student's holistic progress; student feedback and discussion; adaptation of curriculum and approach as needed. Training for staff to keep up to date with subject material and regulations.
Student safeguarding – students harmed or self-harming.	Management will ensure staff members are fully conversant and compliant with safeguarding policies, and ensure their training is up-to-date. Appropriate de-escalation procedures are in place in the event of an incident. Health and safety risk assessment policies up-to-date and inspections carried out at appropriate intervals. Central monitoring of compliance at Learner Centres and RBAir.
Changes in government policy or regulation – adverse inspections of Learner Centres, and ability to deliver online provision through RBAir.	Monitoring of changes in regulation, policies and approach with government departments, regulators, commissioners and inspectorates, and adjusting Red Balloon policies, processes and provision as required. Monitoring the status of RBAir, and managing its online provision in line with all applicable regulations. Engagement with lawmakers and educators on support for bullied children, including acting as secretariat for the All-Party Parliamentary Group on Bullying.
Financial insolvency – inadequate funding to cover expenditure	Focused fundraising by a dedicated development team; setting fees at an appropriate level; marketing of Red Balloon services to ensure an adequate pipeline of students. Proper budgeting and efficient cost management. Monitoring cash balances with an appropriate level of reserves on hand.
Loss of IT data and/or access to central systems – resulting in confidential data loss and/or operational disruption including online provision.	Ensuring software and virus protection on devices are up-to-date, as well as restricted physical access. Appropriate password protection maintained and offsite/cloud backup in line with IT policies. Confidential personal information is identified and encrypted. A second and distinct data line maintained for RBAir.

Structure, governance and management

Constitution

The Charity is registered as a charitable company limited by guarantee.
The Charity is constituted under a Memorandum of Association dated 21 February 2005 and its charity registration number is 1109606.

Method of appointment or election of trustees

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited to fulfil specific roles. Job roles are clearly described and the appropriate level of skills and experience required is clearly defined. Positions are advertised and formal applications requested. Interviews take place and candidates who most closely match the selection criteria are invited to attend a trustee meeting as an observer. No person or external body other than the trustees are entitled to appoint trustees.

Policies adopted for the induction and training of trustees

i) All new trustees are invited to visit an existing Red Balloon Learner Centre in order to appreciate how it differs from a school and how it operates.
ii) All new trustees meet with the Chair, the Executive Officer, the President and the Financial Controller. The Chair explains the aims of the Charity.
iii) The President describes the history of the founding and development of Red Balloon, defines 'bullying' with examples of the kind of treatment to which students were subjected in mainstream school and which led to them refusing or becoming unable to attend. She expounds the five core principles governing the operation of the individual Learner Centres.
iv) The Financial Controller acquaints them with the financial basis of the Charity.
v) The trustees are given the documents issued by the Charity Commission regarding the duties of trustees ("The Essential Trustee"), together with "Red Balloon - An Introduction".
vi) All trustees are required to provide satisfactory DBS clearing, complete basic online PREVENT and Child Protection training, a Trustee Declaration of Interests and confirm that they are a suitable person to stand as a Trustee.
vii) The induction process includes meetings with the main contact staff relevant to their specific job role and other trustees. Final election and confirmation as a Trustee is carried out at a full Trustee meeting.

Organisational structure and decision making

i) The Charity operates from its Offices at Winship House in Milton, Cambridge. The Executive Officer oversees individuals with responsibility for development and fundraising, marketing and communications, IT, finance and human resources.
ii) Day-to-day decisions are made by the Executive Officer, who will refer to the Chair of Trustees, the President or another trustee for advice or guidance if necessary.
iii) The Board of Trustees meets formally approximately every six weeks, when they receive and discuss written reports from the Executive Officer, Director of Fundraising and Communications and Financial Controller.
iv) Major policy and project proposals are brought to the attention of the trustees by the Executive Officer, discussed, and decisions made are minuted and subsequently implemented. There is a schedule of matters reserved for the board.
v) At each meeting, the Chair asks the trustees to record any potential conflict of interest.

Structure, governance and management

Pay policy

A set of pay bands has been established which define a pay range for each group of staff, taking into account level of responsibility, qualifications and experience. Key management remuneration on appointment and any subsequent changes are authorised by the Trustees. An appropriate local set of pay bands has been implemented at other locations. Performance reviews take place for all staff. Key management remuneration details are included in note 10.

Fund-raising standards information CA 162A

Red Balloon Learner Centre Group (RBLCG) raises some funds from the public.
i) RBLCG undertakes fundraising through our internal resources and we do not commission a professional fundraiser/commercial participator for these;
ii) RBLCG is not subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or voluntary standard for fundraising in respect of activities on behalf of the charity;
iii) RBLCG monitors fundraising activities via the Director of Fundraising and Communications board report and via fortnightly meetings;
iv) RBLCG received no complaints during the year about activities for the purpose of fundraising;
v) RBLCG has adopted principles of GDPR legislation and also has safeguarding policies to protect the data of vulnerable people and other members of the public from:

a. Unreasonable intrusion on a person's privacy;
b. Unreasonable persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity;
c. Placing undue pressure on a person to give money or other property.

Compliance with the Code of Fundraising Practice

The Charity is registered with the Fundraising Regulator to demonstrate its commitment to transparent charity management and adhering to the Code of Fundraising Practice. Supporters have the right to know that the Charity can be trusted to be open and honest and that they will be treated with care and respect. The Charity's fundraising promise is published on its website which explains what supporters can expect from it and what to do if they have any concerns.

The data protection statement online has been expanded so supporters can see how the Charity manages and uses their data within the General Data Protection Regulations. They are invited to change the way the Charity communicates with them at any time. It has introduced Donorfy Customer Relationship Management system to ensure that its donor data is held appropriately and securely. This forms an integral part of achieving readiness for growth.

The Charity's fundraising activities continue to be largely focused on approaches to grant-making bodies as well as high net-worth individuals, but it has been developing its stewardship of individual donors, to encourage regular giving and community fundraising.

Public benefit

The Trustees have had regard to the Charity Commission guidance on Public Benefit. Red Balloon Learner Centres provide an 'intensive care' full-time education, mainly for children aged 11 -18 who have been so seriously bullied or traumatised that they exclude themselves from school. There is no other purpose-made scheme to help this group of children recover and to restore them to normal life. They are provided with a safe environment with clear boundaries for behaviour and a bespoke full-time academic, pastoral and therapeutic programme.

Structure, governance and management

According to research carried out by the National Centre for Social Research in 2011 (Estimating the Prevalence of Young People Absent from School because of Bullying), of the approximately 3.1 million 11 to 15 year olds in England, about five in one thousand, or 16,500 children, have been bullied to the point that they have left the mainstream educational system.

Experience in Red Balloon's Centres and at RBAir causes us to believe that there is a need for much wider access in the UK to provision of the kind that Red Balloon offers. Red Balloon improves the skills and life opportunities of a group of socially isolated, anxious and ignored children. It contributes to stronger communities by identifying and addressing the problem of seriously bullied and traumatised children with the help of the community, and for the benefit of the community.

Trustees' responsibilities

The Trustees (who are also Directors of Red Balloon Learner Centre Group for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP; make judgments and accounting estimates that are reasonable and prudent; prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditors In connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditor

The auditors, Price Bailey LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees. In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 20 May 2021 and signed on their behalf by:



Beverley Williams

Administrative details of the charity, its trustees and advisors

Charity registration number	1109606
Company registration number	05385341
Trustees and Directors	Dr Carrie M H Herbert, President Ms Beverley A Williams, Chair Mr Michael A Frankl, Chair (resigned 21 May 2020) Revd Prof Michael J Reiss Mr Charles L Joseland (resigned 19 September 2019) Ms Josephine A Collier (appointed and resigned 19 September 2019) Mr Kevin J Taylor (resigned 17 September 2020) Ms Elizabeth M Allan Mr Edward A Bowers (appointed 2 April 2020 and resigned 16 October 2020) Mr Simon P Mace (appointed 19 November 2020)
Executive Officer	Chief Executive Officer: Ms Lena Milosevic (resigned 5th October 2020) Director of Education: Mr Robert Watson (appointed 2 January 2020)
Company Secretary	Dr Carrie M H Herbert
Principal/Registered office	Winship House, Winship Road, Milton Cambridge CB24 6AP
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ





Auditor's report and financial statements for the year ended 31 August 2020

Independent auditor's report to the members of Red Balloon Learner Centre Group

Opinion

We have audited the consolidated financial statements of Red Balloon Learner Centre Group (the 'parent charitable company') and its subsidiaries for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent auditor's report to the members of Red Balloon Learner Centre Group

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Independent auditor's report to the members of Red Balloon Learner Centre Group

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 35, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of
PRICE BAILEY LLP
Chartered Accountants
Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 27 May 2021

RED BALLOON LEARNER CENTRE GROUP
(a company limited by guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Restricted £	Unrestricted £	2020 Total £	2019 Total £
INCOME					
Donations and grants	2	398,481	358,380	756,861	788,319
Charitable activities	3	-	2,154,671	2,154,671	2,057,658
Other trading activities	4	-	-	-	55,861
Investment income	5	191	67,503	67,694	68,129
Other income	6	-	38,246	38,246	-
Total income		**398,672**	**2,618,800**	**3,017,472**	**2,969,967**
EXPENDITURE					
Costs of raising funds	7	-	(90,646)	(90,646)	(88,132)
Charitable activities	7	(448,612)	(2,319,282)	(2,767,894)	(2,768,425)
Total expenditure		**(448,612)**	**(2,409,928)**	**(2,858,540)**	**(2,856,557)**
Net (expenditure) / income in the year		**(49,940)**	**208,872**	**158,932**	**113,410**
Transfer between funds		(25,697)	25,697	-	-
Net movement in funds		**(75,637)**	**234,569**	**158,932**	**113,410**
Reconciliation of funds:					
Total funds brought forward	23b	329,111	2,051,976	2,381,087	2,267,677
Total funds carried forward	23a	**253,474**	**2,286,545**	**2,540,019**	**2,381,087**

All amounts relate to continuing activities of the company.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 47 to 66.

RED BALLOON LEARNER CENTRE GROUP
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible fixed assets	14	15,502	-
Tangible fixed assets	15	1,326,562	1,323,910
Fixed asset investments	16	179,007	179,737
Programme related investments	17	1,447,963	1,447,963
TOTAL FIXED ASSETS		**2,969,034**	**2,951,610**
CURRENT ASSETS			
Debtors: amounts falling due within one year	18	329,896	214,531
Debtors: amounts falling due after more than one year	19	24,544	24,544
Cash at bank and in hand		1,189,659	1,154,665
TOTAL CURRENT ASSETS		**1,544,099**	**1,393,740**
LIABILITIES			
Creditors: amounts falling due within one year	20	(649,340)	(617,612)
NET CURRENT ASSETS		**894,759**	**776,128**
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,863,793**	**3,727,738**
Creditors: amounts falling due after more than one year	21	(1,323,774)	(1,346,651)
TOTAL NET ASSETS		**2,540,019**	**2,381,087**
FUNDS OF THE CHARITY			
Unrestricted funds:			
-General funds	23a	842,044	648,119
-Designated funds	23a	1,444,501	1,403,857
Restricted funds	23a	253,474	329,111
TOTAL FUNDS		**2,540,019**	**2,381,087**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 47 to 66 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 20 May 2021 and signed on their behalf by:

Beverley Williams - Trustee

Michael Reiss - Trustee

RED BALLOON LEARNER CENTRE GROUP
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 05385341
CHARITY BALANCE SHEET
AS AT 31 AUGUST 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible fixed assets	14	15,502	-
Tangible fixed assets	15	31,489	35,564
Fixed asset investments	16	179,007	179,737
Programme related investments	17	2,720,104	2,720,104
TOTAL FIXED ASSETS		**2,946,102**	**2,935,405**
CURRENT ASSETS			
Debtors: amounts falling due within one year	18	100,138	134,122
Debtors: amounts falling due after more than one year	19	24,544	24,544
Cash at bank and in hand		273,213	350,573
TOTAL CURRENT ASSETS		**397,895**	**509,239**
LIABILITIES			
Creditors: amounts falling due within one year	20	(110,108)	(216,716)
NET CURRENT ASSETS		**287,787**	**292,523**
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,233,889**	**3,227,928**
Creditors: amounts falling due after more than one year	21	(1,334,506)	(1,357,383)
TOTAL NET ASSETS		**1,899,383**	**1,870,545**
FUNDS OF THE CHARITY			
Unrestricted funds:			
-General funds	23a	308,899	270,085
-Designated funds	23a	1,421,569	1,387,652
Restricted funds	23a	168,915	212,808
TOTAL FUNDS		**1,899,383**	**1,870,545**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The attached notes on pages 47 to 66 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 20 May 2021 and signed on their behalf by:

Beverley Williams - Trustee

Michael Reiss - Trustee

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020	2019
		£	£
Cash Flows from Operating Activities			
Net cash provided by operating activities	28	118,435	266,434
Cash Flows from Investing Activities			
Purchase of intangible fixed assets		(20,670)	-
Purchase of property, plant and equipment		(42,854)	(87,086)
Proceeds from sales of property, plant and equipment		2,573	1,823
Net cash used in Investing Activities		**(60,951)**	**(85,263)**
Cash Flows from Financing Activities			
Repayments of borrowing		(22,490)	(19,411)
Net cash used in Financing Activities		**(22,490)**	**(19,411)**
Change in cash and cash equivalents in the reporting period		**34,994**	**161,760**
Cash and cash equivalents at the beginning of the reporting period	29	1,154,665	992,905
Cash and cash equivalents at the end of the reporting period	29	**1,189,659**	**1,154,665**

The attached notes on pages 47 to 66 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis and are presented in sterling, which is the functional currency of the Charity.

The financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. See further details of subsidiary entities in note 27.

The Red Balloon group legally restructured such that Red Balloon Learner Centres Reading and Cambridge joined the consolidated group during 2017-18, and together with Red Balloon of the Air are all included in the group results for 2019-20 and 2018-19, as required by UK accounting standards.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) Going Concern

The substantial operational review and restructure which was implemented in Red Balloon of the Air during 2019-20 means that Red Balloon of the Air is operating at a sustainable level and is forecasting steady growth over the next few years from this foundation. The continued growth in enquiries for all subsidiaries has not been impacted by the COVID-19 situation and interest in the provisions continues to spread.

Grants and donations income has not been adversely affected by COVID-19 either and following detailed review of Red Balloon Learner Centre Group's forecasts and projections, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

c) Legal status of the Charity

The Charity is a company limited by guarantee, incorporated in England and Wales. The members of the company are the Trustees named on page 36. The number of members during the year was 6 (2019: 5). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity (2019: £10 per member).

d) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

f) Income

All income is included in the Statement of Financial Activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income from charitable activities relates to school fee income which is invoiced in advance at the start of each term. Fee income is recognised on a monthly basis as teaching occurs and fees received for future months are deferred as shown in note 20.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Donations, grants and gifts are recognised when receivable. In the event that a grant is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates and recognised in income in the year. Any Gift Aid amounts not received by the year end are accounted for in income and accrued income in debtors.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which:

- the Charity is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Charity. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

g) Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs have been allocated between governance costs and other support costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Governance and support costs have been apportioned between all activities based on staff time and use of the resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

h) Intangible fixed assets and amortisation

Intangible fixed assets are valued at historical cost. Amortisation is provided on all intangible fixed assets on a straight-line basis and are written off over their useful economic life. Amortisation rates are as follows:

Website	25% straight line

Assets are assessed for impairment at each balance sheet date. Any impairment value is recognised immediately in the statement of financial activities.

i) Tangible fixed assets and depreciation

Tangible fixed assets are valued at historical cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual values, over their expected useful lives as follows:

Office equipment	33% straight line
Computer equipment	50% straight line
Leasehold improvements	10% straight line
Buildings	2% straight line
Freehold land	Not depreciated

Assets are reviewed for any indications of impairment at each balance sheet date.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due. Concessionary loans received at below market rates are received in order to further the charitable objects of the organisation and are therefore included at the amount received and are not discounted.

m) Financial instruments

The Charity mostly has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at cost which is their fair value. The Charity also holds some quoted investments with Investec which are revalued to market value at each balance sheet date; gains or losses are taken to the income statement as detailed in note 16. When the investments are expected to be held for a period greater than 12 months, they are classified in the balance sheet under Fixed Assets. Included within creditors are property mortgages which are valued on the basis of of cost using the effective interest rate method. Further details are in note 21.

n) Pensions

Employees of the Charity are entitled to join a defined contribution pension scheme, the assets of which are administered by NEST. The Charity contribution is restricted to the contributions disclosed in note 12.

o) Operating leases

Operating leases are recognised over the period of which the lease falls due on a straight-line basis.

p) Taxation

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

q) Programme related investments

Programme related investments consist of properties rented to Red Balloon Centres. They are held at cost less any provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

r) Significant Estimates and Judgements

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

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. These include depreciation, debtor recoverability and bad debts. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Donations and grants

	2020 £	2019 £
Donations	63,390	109,963
Legacies	-	22,000
Grants	693,471	656,356
	756,861	788,319

Included within donations received are restricted funds of £9,020 (2019: £6,470). All remaining donations and legacies received relate to unrestricted funds. Included within grants received are restricted funds of £389,461 (2019: £503,505) and unrestricted funds of £304,010 (2019: £152,851).

3 Income from Charitable Activities

	2020 £	2019 £
Levies and recharges to Red Balloon Centres	19,866	17,269
Teaching and support of bullied children	2,134,805	2,040,389
	2,154,671	2,057,658

All income from charitable activities was attributable to unrestricted funds in both the current and prior year.

4 Other trading activities

	2020 £	2019 £
Fundraising events	-	55,861
	-	55,861

All fundraising income received was attributable to unrestricted funds in the prior year.

5 Investment income

	2020 £	2019 £
Rents received	64,500	64,500
Dividends	1,765	2,075
Deposit account interest	1,429	1,554
	67,694	68,129

Included within investment income are restricted funds of £191 (2019: £140). All remaining investment income relate to unrestricted funds.

6 Other income

	2020 £	2019 £
Government grants	38,246	-

Government grants are wholly in relation to the Coronavirus Job Retention Scheme, which are unrestricted funds £38,249 (2019: £Nil). There were no unfilled conditions in relation to the government grants at the year end (2019: None).

7 Analysis of resources expended by activity – current year

	Direct costs £	Grant funding £ (notes 10a,10b)	Support costs £ (note 8)	2020 costs £
Costs of raising funds	69,363	-	21,283	90,646
Charitable activities:				
Advance the education of students at Red Balloon Centres	408,818	221,391	90,106	720,315
Teaching and support of bullied children	1,892,932	-	154,647	2,047,579
	2,371,113	221,391	266,036	2,858,540

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

Analysis of resources expended by activity – prior year

	Direct costs £	Grant funding £ (notes 10a,10b)	Support costs £ (note 8)	2019 costs £
Costs of raising funds	68,541	-	19,591	88,132
Charitable activities:				
Advance the education of students at Red Balloon Centres	462,564	84,277	90,526	637,367
Teaching and support of bullied children	1,996,293	-	134,765	2,131,058
	2,527,398	84,277	244,882	2,856,557

Expenditure in 2020 related to restricted funds was £448,612 (2019: £429,293) and unrestricted funds was £2,409,928 (2019: £2,427,264).

8 Analysis of support costs

	2020 £	2019 £
Finance and professional	59,636	49,377
Bank charges	984	1,142
Communication	20,054	21,258
Insurance	23,466	17,712
Rent and rates	32,409	35,805
Repairs and maintenance	45,292	17,517
General office expenses	7,147	9,008
Staff costs	40,335	60,323
Governance costs (note 9)	36,713	32,740
	266,036	244,882

9 Analysis of governance costs

	2020 £	2019 £
Auditors' fees		
- for audit services	22,180	19,070
- for non-audit services	7,539	7,143
Accountancy fees	6,994	6,527
	36,713	32,740

All expenditure on governance costs is spent from unrestricted funds in 2020 and 2019.

10a Grants to individuals

	Number	Total 2020 £	Number	Total 2019 £
Bursaries	15	75,775	14	34,877

The average bursary per student in 2020 was £5,052 (2019: £2,491). The increase was due to higher fees, a higher proportion of bursaries being awarded for the entire year and bursaries awarded for tailored programmes.

10b Grants payable to institutions

	Number	Total 2020 £	Number	Total 2019 £
Grants (see below)	1	145,616	6	49,400

Grants payable to institutions in 2020 related to restricted funds of £145,616 (2019: £41,400) and unrestricted funds of £Nil (2019: £8,000). The grant in 2020 was in relation to a grant received by the parent charity, Red Balloon Learner Centre Group, for the expansion of Red Balloon - NW London.

The total grants paid to institutions during the year were as follows:	2020 £	2019 £
Grants		
Red Balloon – Norwich	-	700
Red Balloon – NW London	145,616	48,700
	145,616	49,400

11 Analysis of staff costs and key management personnel

	2020 £	2019 £
Wages and salaries	1,935,905	1,961,610
Social security costs	139,259	147,090
Pension	40,709	35,011
	2,115,873	2,143,711

The average monthly head count during the year was as follows:	2020 Number	2019 Number
Charitable activities	110	116

The number of higher paid employees was as follows:	2020 Number	2019 Number
In the band £60,000 - £70,000	1	-

The employers pension contributions in relation to the above higher paid employees was £1,220 (2019: £Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

As permitted by the Memorandum and Articles of Association, one trustee being Dr C M H Herbert, received remuneration of £Nil in the current year (2019 – 1 Trustee - £24,667), for her services to the charity in respect of fundraising. During the year, no Trustees received any reimbursement of expenses (2019 – £Nil).

The charity considers its key management personnel to comprise of 5 people (6 people in the prior year). During the year, the total employment benefits of these were paid by the parent company, Red Balloon Learner Centre Group. In the prior year, some of these costs were recharged to Red Balloon of the Air. Total aggregate remuneration of key management personnel was £267,892 (2019: £270,330).

In Red Balloon of the Air, a restructure programme was undertaken in full consultation with the staff. The objective was to achieve a number of voluntary exits whilst retaining the skills required for the future.
A restructure programme was also undertaken in full consultation with the staff involved for the IT department, which included employees of both Red Balloon of the Air and the parent charity, Red Balloon Learner Centre Group. The objective was to improve the quality of IT support by outsourcing some functions, following an external IT strategy review.

- The exits were agreed by the relevant boards.
- Exits took place from December 2019 through to August 2020 and the payments are accounted for within the 2019/20 financial year.
- The policy is to account for the termination payments at the point that the employee accepted the offer.
- The total payments made were £26,679 (2019: £13,188).

12 Pension costs

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £40,709 (2019 - £35,011). Pension contributions of £2,644 (2019 - £1.861) were payable to the fund at the balance sheet date.

13 Net (expenditure) / income

	2020 £	2019 £
Net income is stated after charging:		
Amortisation of intangible assets owned by the charity	5,168	-
Depreciation of charitable assets owned by the group	39,807	55,545
(Profit)/Loss on sale of fixed assets	(2,178)	458
Operating lease payments for land and buildings	115,721	79,874
Auditors remuneration:		
- for audit services	22,180	19,070
- for non-audit services	7,539	7,143

14 Intangible fixed assets

Group and Charity	Website £
Cost:	
At 1 September 2019	-
Additions	20,670
At 31 August 2020	20,670
Amortisation:	
At 1 September 2019	-
Charge for the year	5,168
At 31 August 2020	5,168
Net book value:	
At 31 August 2019	-
At 31 August 2020	15,502

15 Tangible fixed assets

Group	Land and buildings £	Leasehold improvements £	Office and computer equipment £	Total £
Cost:				
At 1 September 2019	1,298,526	39,245	136,994	1,474,765
Additions	24,857	-	17,997	42,854
Disposals	-	-	(2,574)	(2,574)
At 31 August 2020	1,323,383	39,245	152,417	1,515,045
Depreciation:				
At 1 September 2019	30,011	3,925	116,919	150,855
Charge for the year	17,987	3,925	17,895	39,807
Eliminated on disposals	-	-	(2,179)	(2,179)
At 31 August 2020	47,998	7,850	132,635	188,483
Net book value:				
At 31 August 2019	1,268,515	35,320	20,075	1,323,910
At 31 August 2020	1,275,385	31,395	19,782	1,326,562

Outstanding mortgages of £587,885 (2019: £610,479) in relation to the properties are secured on the properties included in land and buildings.

Charity	Leasehold improvements £	Office and computer equipment £	Total £
Cost:			
At 1 September 2019	39,245	12,116	51,361
Additions	-	-	-
At 31 August 2020	39,245	12,116	51,361
Depreciation:			
At 1 September 2019	3,925	11,872	15,797
Charge for the year	3,925	150	4,075
At 31 August 2020	7,850	12,022	19,872
Net book value:			
At 31 August 2019	35,320	244	35,564
At 31 August 2020	31,395	94	31,489

16 Fixed asset investments

Group and Charity	2020 £	2019 £
Investments are allotted to each range as follows:		
UK Unit Trust	17,193	17,536
Equities	40,080	39,866
Listed Investments	57,273	57,402
Cash	121,734	122,335
	179,007	179,737

LISTED INVESTMENTS	2020 £	2019 £
At market value:		
Quoted at 1 September	57,402	55,633
(Losses)/Gains on investments	(129)	1,769
At 31 August	57,273	57,402
Historical cost of investment	52,605	52,605

17 Programme Related Investments

Group and Charity

Properties rented to other Red Balloon Centres:	Group £	Charity £
Cost or valuation:		
At 31 August 2019	1,447,963	2,720,104
At 31 August 2020	1,447,963	2,720,104
Net book value:		
At 31 August 2019	1,447,963	2,720,104
At 31 August 2020	1,447,963	2,720,104

Programme related investments represented by:	Group £	Charity £
76 Earlham Road, Norwich	700,740	700,740
220-222 Kings Road, Reading	-	545,762
13 Kenton Road, Harrow	747,223	747,223
57 Warkworth Terrace, Cambridge	-	726,379
Total	1,447,963	2,720,104

Outstanding mortgages of £757,641 (2019: £757,537) in Group and £1,345,526 (2019: £1,368,016) in the Charity in relation to the properties are secured on the properties listed above.

18 Debtors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	216,689	132,064	-	4,000
Amounts owed by group undertakings	-	-	51,865	75,574
Amounts owed by other Red Balloon Centres	37,268	4,772	564	-
Prepayments and accrued income	74,960	56,082	47,709	54,548
Other debtors	979	21,613	-	-
	329,896	214,531	100,138	134,122

19 Debtors: amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Rent deposit	24,544	24,544	24,544	24,544

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20 Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	27,177	29,005	3,610	25,779
Amounts owed to group undertakings	-	-	-	1,003
Amounts owed to other Red Balloon centres	-	1,243	-	2,571
Social security and other taxes	32,941	38,043	6,771	9,596
Other creditors and accruals	95,880	74,686	77,975	56,402
Deferred income	471,590	453,270	-	100,000
Mortgage due within one year	21,752	21,365	21,752	21,365
	649,340	617,612	110,108	216,716

Deferred income	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Deferred income at 1 September	453,270	290,984	100,000	-
Resources deferred during the year	471,590	453,270	-	100,000
Amounts released from previous years	(453,270)	(290,984)	(100,000)	-
Deferred income at 31 August	471,590	453,270	-	100,000

Deferred income relates to unrestricted grants received for the following year of £Nil (2019: £100,000) and school term fees, being unrestricted income, invoiced in advance of £471,590 (2019: £353,270).

21 Creditors: amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Mortgage	1,323,774	1,346,651	1,323,774	1,346,651
Amounts owed to group undertakings	-	-	10,732	10,732
	1,323,774	1,346,651	1,334,506	1,357,383

Creditors: amounts falling due after more than one year include amounts not wholly repayable within 5 years as follows:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Due within 2-5 years	98,221	92,314	108,953	103,046
Due after more than 5 years	1,225,553	1,254,337	1,225,553	1,254,337
	1,323,774	1,346,651	1,334,506	1,357,383

Mortgages are secured on the properties concerned.

The mortgages for the Cambridge, Harrow and Norwich properties are with The Cambridge Building Society and the Reading property with Saffron Building Society. The mortgages are interest only, except for 33% (2019: 30%) of the balance outstanding at the year end on the Cambridge property.

The rates at the year end were as follows:

	2020 %	2019 %
76 Earlham Road, Norwich	4.74	5.09
220-222 Kings Road, Reading	5.39	5.64
13 Kenton Road, Harrow	4.74	5.09
57 Warkworth Terrace, Cambridge	4.74	5.09

22 Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings Group		Land and Buildings Charity	
	2020 £	2019 £	2020 £	2019 £
Within one year	89,058	98,175	75,553	98,175
Within two to five years	43,316	425,499	7,093	425,499
After more than five years	-	445,972	-	445,972
	132,374	969,646	82,646	969,646

With the agreement of Red Balloon of the Air, Red Balloon Learner Centre Group have issued the landlord of Winship House with notice that Red Balloon has exercised its right under the terms of the lease to initiate the break clause allowing the lease term to end on 28th September 2021. See note 25.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23a Funds analysis – current year

Group	Balance at 1/9/2019 £	Income £	Expenditure £	Transfers £ (note 22c)	Balance at 31/8/2020 £
General Funds	648,119	2,618,800	(2,409,928)	(14,947)	842,044
Designated Funds:					
- Intangible & tangible fixed assets	713,431	-	-	40,748	754,179
- Programme related investments	690,426	-	-	(104)	690,322
Total unrestricted funds	2,051,976	2,618,800	(2,409,928)	25,697	2,286,545
Restricted funds					
Bursaries	139,973	47,903	(75,863)	-	112,013
Funding for regional scouts and mentors	14,591	58,850	(73,540)	99	-
Funding for staff training	33,920	-	(887)	-	33,033
Funding to further develop and expand the Red Balloon provision	66,523	205,429	(229,286)	396	43,062
Other restricted donations for IT and other equipment, teachers, interns etc	74,104	86,490	(69,036)	(26,192)	65,366
Total restricted funds	329,111	398,672	(448,612)	(25,697)	253,474
Total funds	2,381,087	3,017,472	(2,858,540)	-	2,540,019
Charity					
General Funds	270,085	724,706	(651,975)	(33,917)	308,899
Designated Funds:					
- Intangible & tangible fixed assets	35,564	-	-	11,427	46,991
- Programme related investments	1,352,088	-	-	22,490	1,374,578
Total unrestricted funds	1,657,737	724,706	(651,975)	-	1,730,468
Restricted funds					
Bursaries	136,183	43,990	(75,863)	-	104,310
Funding for staff training	33,920	-	(887)	-	33,033
Other restricted donations for IT and other equipment, teachers, interns etc	42,705	57,038	(75,115)	-	24,628
Funding for expansion of the Red Balloon group	-	170,000	(163,056)	-	6,944
Total restricted funds	212,808	271,028	(314,921)	-	168,915
Total funds	1,870,545	995,734	(966,896)	-	1,899,383

23b Funds analysis – prior year

Group	Balance at 1/9/2018 £	Income £	Expenditure £	Transfers £ (note 22c)	Balance at 31/8/2019 £
General Funds	643,604	2,459,852	(2,427,264)	(28,073)	648,119
Designated Funds:					
- Tangible fixed assets	664,731	-	-	48,700	713,431
- Programme related investments	690,455	-	-	(29)	690,426
Total unrestricted funds	1,998,790	2,459,852	(2,427,264)	20,598	2,051,976
Restricted funds					
Bursaries	105,757	69,150	(34,965)	31	139,973
Funding for regional scouts and mentors	6,413	57,328	(49,150)	-	14,591
Funding for the development office	-	50,000	(50,000)	-	-
Funding for staff training	-	40,000	(6,080)	-	33,920
Funding to further develop and expand the Red Balloon provision	108,459	165,713	(177,649)	(30,000)	66,523
Other restricted donations for IT and other equipment, teachers, interns etc	48,258	127,924	(111,449)	9,371	74,104
Total restricted funds	268,887	510,115	(429,293)	(20,598)	329,111
Total funds	2,267,677	2,969,967	(2,856,557)	-	2,381,087
Charity					
General Funds	221,134	637,032	(563,106)	(24,975)	270,085
Designated Funds:					
- Tangible fixed assets	-	-	-	35,564	35,564
- Programme related investments	1,332,677	-	-	19,411	1,352,088
Total unrestricted funds	1,553,811	637,032	(563,106)	30,000	1,657,737
Restricted funds					
Bursaries	105,758	65,390	(34,965)	-	136,183
Funding for the development office	-	50,000	(50,000)	-	-
Funding for staff training	-	40,000	(6,080)	-	33,920
Other restricted donations for IT and other equipment, teachers, interns etc	41,164	115,116	(113,575)	-	42,705
Funding for expansion of the Red Balloon group	94,800	105,000	(169,800)	(30,000)	-
Total restricted funds	241,722	375,506	(374,420)	(30,000)	212,808
Total funds	1,795,533	1,012,538	(937,526)	-	1,870,545

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23c Funds analysis – fund types

During the year, there were net transfers from restricted to unrestricted funds of £25,697 (2019: £20,598) in Group and £Nil (2019: £30,000) in the Charity.

In the Group in the current year, £24,857 was transferred from restricted to unrestricted funds in relation to a restricted grant for a garden extension at Red Balloon Learner Centre Cambridge. The restriction was satisfied upon the completion of the extension and the fund transferred to unrestricted. Similarly, a further £1,335 was transferred from restricted to unrestricted funds in relation to a grant for kitchen refurbishment.

In the prior year, in both Group and the Charity, £30,000 was transferred from restricted to unrestricted funds in relation to a restricted grant for leasehold improvements as part of Red Balloon's expansion and general activity thereafter therefore the restriction was satisfied upon purchase and the fund transferred to unrestricted.

Restricted Funds

- Bursaries fund – Grants received to enable the charity to directly support individual students at Red Balloon of the Air and Red Balloon Learner Centres.
- Regional Scouts and Mentors fund – Funds awarded to support the development of the Red Balloon of the Air programme, and to continue the provision of therapeutic support and mentoring to students.
- Staff training and development fund – Funds awarded for general staff development and for the staff conference in September 2020 (postponed due to COVID-19 therefore to be used for the next staff conference).
- Red Balloon Development and Expansion fund – funds awarded to help with the growth and development of Red Balloon of the Air and the Red Balloon Learner Centres, including a £160,000 grant in the current year, for the expansion of Red Balloon Learner Centre NW London and a £30,000 grant in the prior year, specifically for leasehold improvements.
- Other restricted donations fund – Individual grants and donations for specific resources. These have contributed towards the purchase of laptops and other educational resources, as well as funding certain teaching, managerial and administration posts. In the current year, this included a grant specifically for a garden extension at Red Balloon Learner Centre Cambridge.

Designated Funds used for the purposes of fixed assets

- These represent the net book value of intangible fixed assets, tangible fixed assets and of programme related investments at the year end, after deducting outstanding mortgages due on the properties.

24a Analysis of net assets by funds – current year

Group	Restricted funds £	Unrestricted funds £	Total funds £
Intangible fixed assets	-	15,502	15,502
Tangible fixed assets	-	1,326,562	1,326,562
Fixed asset investments	-	179,007	179,007
Programme related investments	-	1,447,963	1,447,963
Current assets	253,474	1,290,625	1,544,099
Creditors due within one year	-	(649,340)	(649,340)
Creditors due in more than one year	-	(1,323,774)	(1,323,774)
	253,474	2,286,545	2,540,019

Charity	£	£	£
Intangible fixed assets	-	15,502	15,502
Tangible fixed assets	-	31,489	31,489
Fixed asset investments	-	179,007	179,007
Programme related investments	-	2,720,104	2,720,104
Current assets	168,915	228,980	397,895
Creditors due within one year	-	(110,108)	(110,108)
Creditors due in more than one year	-	(1,334,506)	(1,334,506)
	168,915	1,730,468	1,899,383

24b Analysis of net assets by funds – prior year

Group	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	1,323,910	1,323,910
Fixed asset investments	-	179,737	179,737
Programme related investments	-	1,447,963	1,447,963
Current assets	329,111	1,064,629	1,393,740
Creditors due within one year	-	(617,612)	(617,612)
Creditors due in more than one year	-	(1,346,651)	(1,346,651)
	329,111	2,051,976	2,381,087

Charity	£	£	£
Tangible fixed assets	-	35,564	35,564
Fixed asset investments	-	179,737	179,737
Programme related investments	-	2,720,104	2,720,104
Current assets	212,808	296,431	509,239
Creditors due within one year	-	(216,716)	(216,716)
Creditors due in more than one year	-	(1,357,383)	(1,357,383)
	212,808	1,657,737	1,870,545

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25 Events after the balance sheet date

With the agreement of Red Balloon of the Air, Red Balloon Learner Centre Group have issued the landlord of Winship House, where both entities are based, with notice that Red Balloon has exercised its right under the terms of the lease to initiate the break clause allowing the lease term to end on 28th September 2021. They are now focusing efforts on finding suitable premises which will allow the Red Balloon of the Air provision and the operations of Red Balloon Learner Centre Group to continue in the same way.

The trustees are agreed that this event does not impact Going Concern. A contingency plan to ensure that all education and support to students continue in the next academic year, whether or not a permanent premises have been found, is being prepared for Red Balloon of the Air.

Leasehold improvements in relation to Winship House will be fully written down in the next financial year. At 31 August 2020, the net book value of Winship House leasehold improvements was £31,395.

26 Related party transactions

As permitted by the Memorandum and Articles of Association, one trustee being Dr C M H Herbert, received remuneration of £Nil in the current year (2019 – 1 Trustee - £24,667), for her services to the charity in respect of fundraising. There were no other related party transactions.

Exemption from disclosing transactions with group companies has been claimed, since the subsidiaries are wholly owned and included within the group financial statements, which are publicly available. There are no other related party transactions to note.

27 Principal subsidiaries

The following are 100% owned subsidiary undertakings of the Charity:

Company name	Country	Company Number	Charity Number
Red Balloon of the Air	England and Wales	07328440	1138657
Red Balloon Learner Centre Cambridge	England and Wales	10978174	1175826
Red Balloon Learner Centre Reading	England and Wales	07150417	1136446

Red Balloon of the Air is a company limited by guarantee and a registered charity. Total funds as at 31 August 2020 were £189,239 (2019: £186,818), which comprised of assets of £614,196 (2019: £510,691) and liabilities of £424,957 (2019: £323,873). The charity had income during the year of £1,384,559 (2019: £1,606,111) and expenditure of £1,382,138 (2019: £1,660,554), giving net income for the year ended 31 August 2020 of £2,421 (2019: net expenditure £54,443).

Red Balloon Learner Centre Cambridge is a company limited by guarantee and a registered charity. Its net assets were £241,701 at the year end (2019: £225,781). The charity had income during the year of £459,556 (2019: £480,035) and expenditure of £443,636 (2019: £418,797), giving net income for the year ended 31 August 2020 of £15,920 (2019: £61,238).

Red Balloon Learner Centre Reading is a company limited by guarantee and a registered charity. Its net assets were £251,892 at the year end (2019: £125,314). The charity had income during the year of £587,956 (2019: £418,056) and expenditure of £461,378 (2019: £365,646), giving net income for the year ended 31 August 2020 of £126,578 (2019: £52,410).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

28 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	**158,932**	**113,410**
Adjustments for:		
Amortisation charges	5,168	-
Depreciation charges	39,807	55,545
(Profit)/Loss on disposal of tangible fixed assets	(2,178)	458
Losses/(Gains) on investments	129	(1,769)
Investment management charges	601	546
Increase in debtors	(115,365)	(70,255)
Increase in creditors	31,341	168,499
Net cash provided by operating activities	**118,435**	**266,434**

29 Analysis of changes in net debt

	Balance at 1/9/2019 £	Cash flows £	Other non-cash changes £	Balance at 31/8/2020 £
Cash and cash equivalents:				
Cash	1,154,665	34,994	-	1,189,659
Borrowings:				
Debt due within one year	(21,365)	22,490	(22,877)	(21,752)
Debt due after one year	(1,346,651)	-	22,877	(1,323,774)
	(1,368,016)	22,490	-	(1,345,526)
Total	(213,351)	57,484	-	(155,867)

Borrowings relate to mortgages on the 4 properties owned by Red Balloon Learner Centre Group.





Red Balloon Learner Centre Group
(a company limited by guarantee)

Annual Report and Financial Statements
for the year ended 31 August 2020

Registration No. 5385341
(England and Wales)
Charity No. 1109606

@RedBalloonLCG

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