

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 AUGUST 2023



Red Balloon Learner Centres



Charity no. 1109947

Registered number:
05385733

RED BALLOON LEARNER CENTRE NW LONDON
(A company limited by guarantee)

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TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

RED BALLOON LEARNER CENTRE NW LONDON
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY
ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED
31 AUGUST 2023

Trustees and Members	G A Norris, Chair
	J I Storey
	S Jones
	A J Lenton, Vice Chair
	T Webster
	O Adebayo (resigned 30 January 2023)
	S M Fishburn
	K Barr (appointed 30 November 2023)
	R H Evans, Company Secretary

Company registered number 5385733

Charity registered number 1109947

Registered office 13 Kenton Road
Harrow
Middlesex
HA1 2BW

Company secretary R H Evans

Chief executive officer C Taylor BSc (Hons), PGCE, MSc

Bankers CAF Bank Limited
25 Kings Hill Avenue
Kingshill
West Malling
Kent
ME19 4JQ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the audited financial statements of the Company for the 1 September 2022 to 31 August 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Introduction from the chair

In my fifth year as Chair of the Board of Trustees, I take great pleasure in introducing our Trustees Report and Financial Statements for the year ended 31st August 2023.

Firstly, I wish to formally record my grateful thanks to Olan Adebayo, who decided to step down as a Trustee after three year's service. During this time, he provided a wealth of support and sound advice on property matters, for which we are all very grateful.

It is also timely to welcome a new Trustee, Kevin Barr, to our charity. Kevin brings much to us, including significant knowledge and experience of health & safety and risk across multiple industries. Kevin's skills and empathy with our charitable aims will be invaluable, and we look forward to working together.

So, what have we done? Firstly, and most importantly we have continued to provide education and support to students who have suffered extreme emotional or mental health trauma. We have also invested in our staff to ensure that we attract and retain high-caliber teachers and support staff/therapists. This has been essential to ensure that we can provide the very best support to our students, and so that we can maintain and improve our organisation's impact and reach.

Our hybrid offer, of Centre based tuition and support, combined with our off-site programme has been instrumental in helping our students re-engage with education through a wide range of activities many of which are tailored to each individual student's interests resulting in the greatest impact on the quality of their lives. It is a delight and privilege to watch the progress our students make whilst they are with us.

The Trustees have continued to work very closely with our Headteacher to implement our expansion strategy and this has been a hugely significant year for us with the purchase of both our 'home' in Kenton Road and a second property in Roxborough Road. The journey to acquire both properties has been long – but exceedingly worthwhile. We are now within reach of delivering our strategic objective to increase the number of students we can support each year from 20 to 60, well within the proposed timeframe. So, a very positive end to the 2022/23 academic year and one which we look forward to building on over the next 12 – 24 months.

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None of this would have been possible, however, without the generosity of a number of individuals and organisations that have supported us financially, and in kind, some for a considerable number of years. Their generosity has had a huge impact on both our students and staff and for this we are extremely grateful.

Key to our success has also been the loyalty and selfless commitment of; my fellow Trustees who have been fully committed to delivering our strategic objectives, overcoming numerous challenges with a blend of steely resolve and humour; our Headteacher for her unfailing determination and commitment to continuous development and steady growth; our staff who deploy their extraordinary skills and experience to supporting our students; and last but not least; our donors for their incredible support.

Our resolve and commitment to support and improve the lives of young people in our community is at the heart of what we do, and I look forward to 2024 and beyond, with confidence and optimism.

Geraldine Norris DL
Chair of Trustees



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Objectives and activities

a. Policies and objectives

The objects of the charity as set out in the governing document is 'to advance the education of students aged 9 to 18 at the Red Balloon Learner Centre, being students who are victims of bullying or by reason of other emotional trauma or illness are unable to attend mainstream school by providing tuition and appropriate support for them in a safe learning environment until they are ready to return to mainstream education or employment'.

The aim of the charity is the recovery of bullied children who have self-excluded from school because of severe bullying and/or who have suffered extreme emotional or mental health trauma. We provide an 'intensive care' full time education and support programme. Therapy and counselling are offered to students and families.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.



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b. Strategies for achieving objectives

Our strategy 2020 – 2025 is to secure the existing premises out of which we operate and to expand, increasing the number of students we can support from 20 to 60. During this financial year, we have secured our existing premise and purchased a second premises in Roxborough Road in August 2023. This property is close to our current operating base at Kenton Road. The Trustees and Senior Management team have made good progress with our strategic plan and we have ended the year with 58 students on roll. Whilst waiting to secure the second premises, we have rented a second property and will move into our new premises when the fit-out works are complete, in the fourth quarter of 2023.

c. Main activities undertaken to further the Company's purposes for the public benefit



Red Balloon Learner Centre NW London provides an 'intensive care' full-time education for children (9 to 18) who have been so traumatised by severe bullying, physical violence, family breakdown, bereavement, rape etc. that they exclude themselves from school. There is no other purpose-made scheme to recover this group of children. More than half of the students at Red Balloon have attempted or 'seriously considered' suicide. At Red Balloon they are provided with a safe environment with clear boundaries of behaviour and an individual full-time academic, pastoral and therapeutic programme.

Of the 6.1 million 10 to 17-year-olds in the UK, about three in one thousand is so anxious that s/he has left the mainstream educational system. This represents 16,500 children. There is significant demand for the services and support that Red Balloon provides.

Red Balloon Learner Centre NW London improves the skills and life opportunities of a group of socially isolated, confidence-lacking and ignored children. Red Balloon contributes to stronger communities by identifying and addressing the problem of seriously bullied children with the help of the community and for the benefit of the community.

Achievements and performance

a. Achievements and performance



Achievement and performance at Red Balloon Learner Centre NW London is measured by the increase in self-esteem and confidence of each student, in their understanding of themselves and others and in their recovery and return to mainstream or further education or employment.

The Learner Centre operates from 08.30am - 4.30pm each day for 36 weeks of the year for students. Overall attendance has been good during 2022/23 with an average of 81%. Several older students who have fragile mental health issues have struggled with attendance affecting the average total for the year. All our students have shown significantly higher attendance figures than when they began attending the Centre and are now progressing towards full time attendance.

During the year the charity supported 57 (2021/22: 47) students (24 boys, 31 girls and two students described their gender as non-binary) three Yr7, nine Yr 8, six Yr9, 18 Yr10, 11 Yr11, 5 Yr 12 and 5 Yr 13. Some students struggled to attend full-time and so attended part-time. From these students 44 have remained with us for the 2023/24 academic year, and 14 students have been successfully placed in further education, training or employment.

Of our students, 14 students took a rigorous set of GCSE examinations. Almost all our students exceeded or met their predicted grade.

14 students took GCSE examinations in up to eight subjects, two students achieved five or more GCSEs at Grades 4 – 9 including English and maths. Five students achieved Grades 4 – 7 in both maths and English. One student gained Grade 9 in GCSE English Literature, one student gained Grade 8 in English Language and one student obtained a Grade 8 in Geography. Most students exceeded their predicted grades with one student exceeding their predicted grade in GCSE English Literature, two students exceeding their predicted grades in English Language, five students exceeding their predicted grades in GCSE Combined Science, one student exceeding their predicted grade in GCSE History, one student exceeding their predicted grade in GCSE Business Studies and one student exceeding their predicted grade in GCSE Geography.

Six students took NCFE Art and Design examinations with two students passing Level 3. Two students also successfully passed Level 1 in Entry Level Certificate in Science and two students passed Level 2 in Functional Skills in English. Four students passed examinations in Functional Skills in Mathematics.

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These results represent a huge amount of hard work by students, teachers and support staff/therapists. Red Balloon is not just about academic results and we provide a wide range of activities to encourage exercise, creativity and well-being. We offer a range of therapeutic interventions including art, music and equine therapy. Students benefit from the opportunity to access these therapies with their confidence and self-esteem improving as a result. Equine therapy is particularly good for students who have a diagnosis of ASD and high levels of anxiety.



Our off-site provision has gone from strength to strength and we offer our students a wide and varied curriculum including maths, English, Science, History, Geography, multiple languages (including Polish and Japanese) social sciences, art, digital art and politics. We have also done our best to accommodate individual interests such as; astronomy, coding, game design and music. Our students can attend colleges that offer a 14+ programme for subjects such as animal care, outdoor education, hair and beauty, and horticulture on a day release basis.

This year we have welcomed an animal-assisted THRIVE practitioner who works with her dog and our students can attend Learning to Listen in Hitchin which is an animal based therapy through 121 coaching approach. Two years ago we introduced additional wellbeing sessions including yoga, meditation and taught social skills interventions. Our therapy team has worked hard this year to improve the quality of their sessions, and we have begun to offer group sessions and, where appropriate, family sessions.

Our PE activities last year included; badminton, swimming, tae-kwon-do, horse riding, horse care, gym membership, cycle clubs and fencing.

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Extra curricular opportunities available to our students change on an annual basis as we try to identify activities that our students will enjoy. This year we offered; volunteering at cat/dog sanctuaries, walking rescued greyhounds, helping in the local garden centre, drumming, learning the guitar, wall climbing, attending Men's Shed, farm days, wildlife park experiences, Dungeons and Dragons and wood-turning.

Red Balloon offers a very high level of pastoral intervention for all students. All students have a tutor whom they see daily. Staff are empathetic and supportive. This year, the focus of our School Development Plan has been to develop our teachers' ability to foster students' spiritual and moral understanding of the world. This has been achieved through a variety of teacher development sessions, training and guided observation and has had real impact on the depth and breadth of curriculum being taught.

All students receive timetabled weekly careers sessions with a Transition Lead, who supports students with their transition to further education.

Building on the successful introduction of the Duke of Edinburgh Award Scheme four students completed the Gold Award and six students successfully completed the Bronze Award. The level of personal progress made by students is enormous with students gaining self-confidence, belief in their own abilities, interpersonal skills and the ability to work as part of a team.

When able, we also organised visits to museums, art exhibitions and the theatre. These trips are both curriculum and extra curricular related.

The success in achieving our aims can be attributed to the collaborative work of the Board of Trustees, the excellent leadership of the Headteacher and the outstanding teaching and support given by the staff.



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b. Financial review and key performance indicators

KPI summary:

	2023 (£)	2022 (£)
Total income	2,163,495	1,646,663
Charitable expenditure	1,902,734	1,354,111
Surplus for the year	260,761	292,552
Net current assets	1,222,258	961,499
Cash bank	283,182	742,031
Total reserves	1,222,258	961,499

Trading income £2,090,086 (2022: £1,554,282). comprises fees received from Local Authorities, schools and parents to fund those students out of mainstream education. Money from Local Authorities is used to provide education in subjects of students' choice, therapy, wellbeing activities, extracurricular activities, meals, and administration. All fees received support the Charitable objectives of Red Balloon NW London.

Total unrestricted donations received in the period were £33,922 (2022; £59,801).

Total restricted donations in the year were £28,050 (2022: £30,232)

Our surplus was used to invest in our expansion and will continue to fund future activities for the Centre, including further delivery of the provision to a wider group of students. Net assets have increased over the year due to the acquisition of two buildings.



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c. Fundraising activities and income generation

Red Balloon Learner Centre NW London is grateful to all those organisations and individuals who have donated and volunteered time during the year. We should also like to express our appreciation to organisations, based in the area, who have helped us by allowing us to use their facilities.

Fundraising activities are undertaken to support growth and non academic activities. It is not a significant activity for the charity.

Finally, we should like to thank the funders and supporters who have contributed to our strategy for growth. In particular we, should like to thank:

The Leri Foundation

The John Lyon's Foundation

Woburn Golf Day Committee

No complaints were received by the charity.

d. Investment policy and performance

The Trustees' policy on investment is to retain the reserves in an interest bearing bank deposit account.

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Financial review

a. Going concern

After making appropriate enquiries, 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. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

At the year end the charity had restricted funds of £1,222,258 (2022: £957,590) and unrestricted funds of £nil (2022: £3,909). Of the restricted funds, the available funds (i.e. those not of fixed assets or the loans to fund the property) were in a deficit of £109,457.

The policy of Red Balloon NW London is to maintain a cash reserve of three - six months operating costs. During 2022/23, the Trustees agreed to invest those reserves in property - in accordance with our strategy. This decision enabled Red Balloon NW London to support its students in permanent accommodation, without the fear of having to move, as change for our students is extremely traumatic and distressing. The purchase of two properties utilising our reserves, when the Trustees were aware that Red Balloon was full and had a waiting list for places for the next two academic years, was agreed on the basis that the reserves would be restored by August 2025.

The purchase of two properties was agreed when the Trustees were aware that Red Balloon was full and had a waiting list for places for the next two academic years. Whilst this had an impact on free reserves, increases in fees have been agreed for 2024-25 and cashflow modelling shows that reserves will be fully restored by August 2025.

c. Principal risks and uncertainties

Red Balloon NW London has a Risk Register which is annually reviewed by Trustees. The top five key risks have been identified as:

- Environmental risk, such as major virus pandemic, resulting in closure leading to loss of income and staff. In this event our pandemic contingency plan would be implemented.
- Operational risk, such as service delivery by third party organisation, resulting in poor service complaints and damage to reputation. Mitigated by partnering with reputable organisations, carrying out due diligence and regular quality assurance visits.
- Finance risk, such as failure to protect against fraud, resulting in financial loss. Mitigated by regular review of Financial Controls and Whistleblowing policies combined with segregation of duties and two people payment processes.
- Compliance risk, such as failure to meet reporting requirements, resulting in fines and legal action. Mitigated by annual review by Clerk to the company, checklists and reminders to key personnel.

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- Compliance risk, such as misuse of data and failure to comply with Data Protection legislation, resulting in fines, loss of reputation and inability to continue operating as a charity. Mitigated by having trained Data Protection staff, a Data Protection Policy, which is regularly reviewed, training all staff and ensuring Trustees use charity email addresses for charity business.

Structure, governance and management

a. Constitution

Red Balloon Learner Centre NW London is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association. Company Number 5385733

The Company is constituted under a Memorandum of Association dated 8th March 2005 and Articles of Association dated 9th February 2005.

Red Balloon Learner Centre NW London is also a standard charity. Charity Number 1109947.

The Charity is governed by the same Memorandum and Articles of Association incorporated on 8th March 2005. The charity was registered on 9th June 2005.



b. Methods of appointment or election of Trustees

The management of Red Balloon NW London is the responsibility of the Trustees who are elected under the terms of the Articles of Association.

The Board seeks potential Trustees whose relevant experience such as human resources, finance or education is required, using an external agency. In some cases a person will approach the organisation expressing an interest to become a Trustee. Potential Trustees are invited to interview with at least two Trustees and the Headteacher. These Trustees will then make a recommendation about the appointment at a full Trustee meeting, when all Trustees are asked to approve the recommendation. No person, company or external body other than the Trustees is entitled to appoint a Trustee.

Trustees are inducted in accordance with Department for Education recommendations. Safeguarding training is mandatory and all Trustees review and approve Centre policies.

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c. Organisational structure and decision-making policies

The Charity operates from 13 Kenton Road in Harrow, NW London. The Headteacher oversees staff with responsibility for education, wellbeing, administration and housekeeping.

Day-to-day decisions are made by the Headteacher, who will refer to the Chair of Trustees, the Finance Trustee, the Safeguarding Trustee or other Trustees for advice and guidance if necessary.

The Board of Trustees meet formally approximately every six - eight weeks, when they receive and discuss written reports from the Headteacher, Finance Trustee and other Trustees responsible for matters of compliance. Strategy and major project proposals are brought to the attention of the Trustees, discussed and decisions made.

At each meeting the Chair asks the Trustees to identify any potential conflict of interest.

d. Pay policy for key management personnel

The Trustees have developed a pay policy that identifies a set of pay bands taking into account level of responsibility, qualifications and experience. Pay is set with respect to prevailing market rates for education and charities; thereafter the Trustees decide on pay change taking into account performance of the individual and of the charity, inflation levels, London living and any changes in their responsibility or in their working week.

Performance reviews take place for all staff every year and areas of professional development agreed and subsequently implemented.

e. Red Balloon Education Trust (formerly Red Balloon Learner Centre Group) and the Association of Red Balloon Learner Centres

All Red Balloons are obliged to become members of the Association of Red Balloon Learner Centres, which entitles them to use the name "Red Balloon" and the logo. In addition, the Association provides a forum for the Trustees and officers of member Red Balloons (each of which is an independent registered charity) to share experiences, discuss common problems and make joint representations to the Board of Red Balloon Education Trust. The aims of the latter are to raise awareness of the issue of children who are not receiving an education because of severe bullying, to provide quality assurance with respect to the provision offered by each Red Balloon, to ensure that it accords with Red Balloon Philosophy and Practice, and to raise funds to establish new Red Balloons and carry out training.

Red Balloon NW London is a member of the Association and has excellent working relationships with Red Balloon Centres based in Cambridge, Norwich and Reading. Red Balloon NW London provides and shares operating policies with these Centres and there is a strong collegiate working relationship.

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f. Property

The property used by Red Balloon Learner Centre NW London was purchased by Red Balloon Learner Centre Group, now Red Balloon Educational Trust, and was leased back to Red Balloon Learner Centre NW London. Group held the risk attached to the property. In June 2022, Group agreed to the sale of Kenton Road to Red Balloon NW London and that transaction was completed in this financial year. Red Balloon NW London also purchased a second property at Roxborough Road on 31 August 2023. Red Balloon NWL holds the risk on both these properties.

g. Membership of Red Balloon Learner Centre NW London

The Articles of Association state that by holding the role of a Director all current Directors are also Members.

Three Members are required for a quorum. Every Member - person or organisation - only has one vote. Any organisation who is a member may nominate a representative and provide written notice to the charity providing evidence that they have the authority to vote on behalf of the organisation. There are no 'organisation' Members of Red Balloon NW London.



Funds held as custodian

The charity does not hold and does not intend to hold any funds as custodian.

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £10 to the assets of the Company in the event of winding up.

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Management

The Board of Trustees, in consultation with the Headteacher, make decisions on staffing, budgeting and professional development.

Trustees and staff participate in fundraising with the annual aim of raising between £10K to £20K per year, with any monies raised being used to support the provision of ex-curricular activities, to buy resources, equipment and to cover the cost of essential repairs and maintenance. This year they raised over £37,000 and gifted a flower arranging workshop.

Trustees and staff need to raise local awareness of the need for children who have been so severely bullied that they cannot attend mainstream school. The aim is to draw attention to the fact that such children should be provided with full-time education and Red Balloon offers this service. This is addressed through engaging with local authorities, schools, businesses and through volunteers who fundraise for us.

This year the school has been full - our capacity is 60 full-time equivalent students. The Trustees identified two areas of concern and for these reasons the Headteacher and Trustees have worked hard to meet the needs of our community whilst exploring how to expand the provision of the Centre:

i) The Centre is currently full and demand for places is significant.

The Headteacher presented a business plan to the Trustees for the creation of a second Centre in 2020 and with Trustee approval a suitable property was identified in spring 2021. An offer was accepted by the vendor in June 2021 and planning approval for change of use was obtained in October 2022. The global Covid-19 pandemic impacted this project and a temporary second Centre was secured through the leasing of a second property, 3 Churchill Court, in North Harrow. Purchase of the second property, based in Roxborough Road, was completed in August 2023.

ii) Provision during the year:

This year 57 students were on roll at the start of the academic year, with 19 attending the Centre in person at 13 Kenton Road and 16 students attended in person at 3 Churchill Court. 23 students supported via outreach.

The Executive Headteacher is responsible for all aspects of the organisation's work. She is supported by a deputy, an off-site provision lead, an administrator and a team of teachers, therapists, and support staff. The second Centre at Churchill Court has a Centre Head, who reports to the Executive Headteacher. The second Centre Head is supported by a deputy and a team of teachers, therapists, and support staff.

This provision is continuously reviewed to ensure the level of staffing is appropriate for the number of students.

All roles including Trustees and volunteers are DBS checked.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company 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 . 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 Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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



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Disclosure of information to auditors

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 charity'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 relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, MWS, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 13 May 2024 and signed on their behalf by:

Geraldine Norris DL
Chair of Trustees

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Opinion

We have audited the financial statements of Red Balloon Learner Centre NW London (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 2023 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 Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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.

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Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

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Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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 obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, Safeguarding (including statutory guidance Keeping Children Safe in Education), employment law and public sector pay and conditions. We enquired of management to obtain an understanding of how the Charity is complying with those legal and regulatory frameworks and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the board minutes for the year. We did not identify any matters relating to material non compliance with laws and regulation or matters in relation to fraud; as non-material breaches would not normally be communicated within this report.

RED BALLOON LEARNER CENTRE NW LONDON
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We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures;

In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, including its objectives and strategies to understand the expected financial statement disclosures and business risks that may result in risks of material misstatement;

In assessing the appropriateness of the collective competence and capabilities of the engagement team, the engagement partner considered the engagement team's: understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation the specialist skills required and knowledge of the industry in which the client operates.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular manual journal entries made at year end for financial statement preparation; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

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 noncompliance.

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 Auditors' report.

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Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

MWS

Chartered Accountants
Registered Auditor
Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

Date:

MWS are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 AUGUST 2023

		Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:	Note				
Donations and legacies	3	37,379	33,923	71,301	90,033
Charitable activities	4	2,090,086	811	2,090,897	1,556,332
Investments	5	-	1,294	1,294	298
Total income		2,127,465	36,028	2,163,493	1,646,663
Expenditure on:					
Charitable activities	6	1,902,021	713	1,902,734	1,354,111
Total expenditure		1,902,021	713	1,902,734	1,354,111
Net income		225,444	35,315	260,759	292,552
Transfers between funds	15	39,224	(39,224)	-	-
Net movement in funds		264,668	(3,909)	260,759	292,552
Reconciliation of funds:					
Total funds brought forward		957,590	3,910	961,499	668,947
Net movement in funds		264,668	(3,909)	260,759	292,552
Total funds carried forward		1,222,258	1	1,222,259	961,499

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 26 to 42 form part of these financial statements

RED BALLOON LEARNER CENTRE NW LONDON
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BALANCE SHEET
AS AT 31 AUGUST 2023

		2023	2022
	Note	£	£
Fixed assets			
Tangible assets	11	2,297,715	7,914
		<u>2,297,715</u>	<u>7,914</u>
Current assets			
Debtors	12	525,276	848,391
Cash at bank and in hand		283,181	742,343
		<u>808,457</u>	<u>1,590,734</u>
Creditors: amounts falling due within one year	13	(939,951)	(637,148)
Net current liabilities / assets		(131,494)	953,586
Total assets less current liabilities		2,166,221	961,500
Creditors: amounts falling due after more than one year	14	(943,963)	-
Net assets excluding pension asset		1,222,258	961,500
Total net assets		<u>1,222,258</u>	<u>961,500</u>
Charity funds			
Restricted funds	15	(109,457)	957,590
Restricted funds - class II	15	1,331,715	-
Total restricted funds	15	1,222,258	957,590
Unrestricted funds	15	-	3,910
Total funds		<u>1,222,258</u>	<u>961,500</u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 13 May 2024 and signed on their behalf by:

Geraldine Norris DL

Chair of Trustees

RED BALLOON LEARNER CENTRE NW LONDON
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net cash used in operating activities	1,849,140	242,821
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,342,300)	(5,354)
Net cash used in investing activities	(1,342,300)	(5,354)
Cash flows from financing activities		
Cash inflows from new borrowing	(966,000)	-
Net cash (used in)/provided by financing activities	(966,000)	-
Change in cash and cash equivalents in the year	(459,160)	237,467
Cash and cash equivalents at the beginning of the year	742,341	504,874
Cash and cash equivalents at the end of the year	283,181	742,341

The notes on pages 26 to 42 form part of these financial statements

RED BALLOON LEARNER CENTRE NW LONDON
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1. General Information

Red Balloon Learner Centre NW London is a company limited by guarantee and incorporated in England. It is also a registered charity, number 1109947.

Its registered address is 13 Kenton Road, Harrow, Middlesex, HA1 2BW.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Red Balloon Learner Centre NW London 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.

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2.1 Going concern

The charity had a deficit on its available restricted funds at 31 August 2023 of £109,457. After making appropriate enquiries the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has guaranteed income from Local Authorities for the provision of services and has a full complement of students for the 2023/24 academic year and is currently 90% full for the 2024/25 academic year. The Trustees have also considered Cash Flow Forecasts for the current and next financial year. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Fixtures and fittings	-	25% straight line

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and 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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2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

The Company only 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company 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 Company for particular purposes. The costs 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.

Receipts from local authorities are treated as restricted funds as they are paid in relation to specific students, although they are non-refundable in the event a student leaves the school. These receipts are provided on the basis that they are available to fund any activities in furtherance of the charity's objects.

Investment income, gains and losses are allocated to the appropriate fund.

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3 Income from donations and legacies

	Restricted funds 2023	Unrestricted funds 2023	Total funds 2023
	£	£	£
Donations	28,050	33,923	61,973
Government grants	9,329	-	9,329
Total 2023	37,379	33,923	71,302

	<i>Restricted funds 2022</i>	<i>Unrestricted funds 2022</i>	<i>Total funds 2022</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Donations	25,500	59,801	85,301
Government grants	4,732	-	4,732
<i>Total 2022</i>	<i>30,232</i>	<i>59,801</i>	<i>90,033</i>

4 Income from charitable activities

	Restricted funds 2023	Unrestricted funds 2023	Total funds 2023
	£	£	£
Income from charitable activities	2,090,086	811	2,090,897

	<i>Restricted funds 2022</i>	<i>Unrestricted funds 2022</i>	<i>Total funds 2022</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Income from charitable activities	1,554,282	2,050	1,556,332

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5 Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income	<u>1,294</u>	<u>1,294</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment income	<u>298</u>	<u>298</u>

6 Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £
Education	<u>1,902,021</u>	713	<u>1,902,734</u>
		<i>Restricted funds 2022 £</i>	<i>Total 2022 £</i>
Education		<u>1,354,111</u>	<u>1,354,111</u>

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7 Analysis of expenditure by activities

	Activities undertaken directly 2023	Support costs 2023	Total funds 2023
	£	£	£
Education	<u>1,612,645</u>	<u>290,089</u>	<u>1,902,734</u>

	Activities undertaken directly 2022	Support costs 2022	Total funds 2022
	£	£	£
Education	<u>1,122,553</u>	<u>231,558</u>	<u>1,354,111</u>

Analysis of direct costs

	Education 2023	Total funds 2023
	£	£
Staff costs	926,594	926,594
Direct educational costs	663,396	663,396
Training and recruitment	22,655	22,655
Total 2023	<u>1,612,645</u>	<u>1,612,645</u>

	Education 2022	Total funds 2022
	£	£
Staff costs	756,579	756,579
Direct educational costs	347,964	347,964
Training and recruitment	18,010	18,010
Total 2022	<u>1,122,553</u>	<u>1,122,553</u>

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7 Analysis of expenditure by activities (Continued)

Analysis of support costs

	Education 2023	Total funds 2023
	£	£
Staff costs	45,844	45,844
Depreciation	18,498	18,498
Bank charges	1,472	1,472
Sundry expenses	714	714
Accountancy	7,260	7,260
Repairs and maintenance	15,452	15,452
Utilities	10,860	10,860
Legal and professional fees	99,530	99,530
Insurance	14,079	14,079
Rent and rates	60,787	60,787
Bookkeeping	13,200	13,200
Loan interest	2,393	2,393
Total 2023	290,089	290,089

During the year the charity incurred governance costs of £7,260 (2022: £6,900).

	<i>Education 2022</i>	<i>Total funds 2022</i>
	<i>£</i>	<i>£</i>
Staff costs	41,875	41,875
Depreciation	1,025	1,025
Bank charges	130	130
Accountancy	6,900	6,900
Repairs and maintenance	21,108	21,108
Utilities	5,761	5,761
Legal and professional fees	78,852	78,852
Insurance	11,104	11,104
Rent and rates	54,003	54,003
Bookkeeping	10,800	10,800
<i>Total 2022</i>	<i>231,558</i>	<i>231,558</i>

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8 Auditors' remuneration

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>7,260</u>	<u>6,900</u>

9 Staff costs

	2023	2022
	£	£
Wages and salaries	875,116	717,959
Social security costs	78,242	64,532
Contribution to defined contribution pension schemes	19,080	15,963
	<u>972,438</u>	<u>798,454</u>

The average number of persons employed by the Company during the year was as follows:

	2023	2022
	No.	No.
Management	4	4
Teaching and education	26	21
Admin and premises	3	2
	<u>33</u>	<u>27</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	1

Remuneration paid to Key Management Personnel due the year amounted to £176,716 (2022: £183,537) including £172,677 (2022: £178,507) of gross pay and £4,039 (2022: £5,030) of employer's pension.

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10 Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL-).

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL-).

During the year ended 31 August 2023, expenses totalling £11 were reimbursed or paid directly to 1 Trustee (2022 - £78 to 2 Trustees). Expenses related to travel.

11 Tangible fixed assets

	Freehold property	Fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 September 2022	-	34,184	34,184
Additions	2,291,948	16,352	2,308,300
At 31 August 2023	2,291,948	50,536	2,342,484
Depreciation			
At 1 September 2022	-	26,270	26,270
Charge for the year	14,000	4,498	18,498
At 31 August 2023	14,000	30,768	44,768
Net book value			
At 31 August 2023	2,277,948	19,768	2,297,716
At 31 August 2022	-	7,914	7,914

12 Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	468,292	588,269
Other debtors	170	208,959
Prepayments and accrued income	56,814	51,163
	525,276	848,391

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13 Creditors: Amounts falling due within one year

	2023	2022
	£	£
Other loans	22,037	-
Trade creditors	20,221	10,502
Other taxation and social security	21,919	20,821
Pension creditor	4,153	4,130
Other creditors	1,360	-
Accruals and deferred income	870,261	601,695
	939,951	637,148

	2023	2022
	£	£
Deferred income at 1 September 2022	597,781	477,480
Resources deferred during the year	801,316	597,781
Amounts released from previous periods	(597,781)	(477,480)
	801,316	597,781

Deferred income comprises fees raised in advance of entitlement.

14 Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Bank loans	943,963	-

Of the above loans, £522,000 is secured upon the Kenton Road property.

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15 Statement of funds

**Statement of
funds - current**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/ out £	Balance at 31 August 2023 £
Unrestricted funds					
General Funds - all funds	3,910	36,027	(713)	(39,224)	-
Restricted funds					
Restricted donations	-	28,050	(28,050)	-	-
Fee income	957,590	2,090,086	(1,864,642)	(1,292,491)	(109,457)
Pupil premium	-	9,329	(9,329)	-	-
	957,590	2,127,465	(1,902,021)	(1,292,491)	(109,457)
Restricted Funds - Class II					
Property and other assets	-	-	-	1,331,715	1,331,715
Total Restricted Funds	957,590	2,127,465	(1,902,021)	39,224	1,222,258
Total of funds	961,500	2,163,492	(1,902,734)	-	1,222,258

Restricted fee income fund is for income raised for the purposes of education in line with the charitable objects. While the fee income is restricted, it remains available for spending on the operations of the charity in line with its charitable objects

Property and other assets relates to assets held by the charity.

Property loans are the value of long term loans to fund the property purchases.

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15 Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/ out £	Balance at 31 August 2022 £
Unrestricted funds					
General Funds - all funds	1,563	62,148	-	(59,801)	3,910

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/ out £	Balance at 31 August 2022 £
Restricted funds					
Restricted donations	30,000	25,500	(115,601)	59,801	(300)
Fee income	633,798	1,554,282	(1,232,753)	(5,352)	949,975
Fixed assets	3,588	-	(1,025)	5,352	7,915
Pupil premium	-	4,732	(4,732)	-	-
	667,386	1,584,514	(1,354,111)	59,801	957,590
Total of funds	668,949	1,646,662	(1,354,111)	-	961,500

RED BALLOON LEARNER CENTRE NW LONDON
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16 Summary of funds

Summary of funds
- current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/ out £	Balance at 31 August 2023 £
General funds	3,910	36,027	(713)	(39,224)	-
Restricted funds	957,590	2,127,465	(1,902,021)	39,224	1,222,258
Restricted funds					
-Class II	-	-	-	1,331,715	1,331,715
	961,500	2,163,492	(1,902,734)	-	1,222,258

Summary of funds
- prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/ out £	Balance at 31 August 2022 £
General funds	1,563	62,148	-	(59,801)	3,910
Restricted funds	667,386	1,584,514	(1,354,111)	59,801	957,590
	668,949	1,646,662	(1,354,111)	-	961,500

17 Transfers between funds

£39,224 from the general unrestricted fund, and £1,292,491 from the fee income restricted fund, was transferred to the property and other assets fund (£2,297,715) and the property loans fund (£966,000) representing the charity's contribution the purchase of the property.

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18 Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023	Restricted funds class II 2023	Total funds 2023
	£	£	£
Tangible fixed assets	-	2,297,715	2,297,715
Current assets	808,457	-	808,457
Creditors due within one year	(917,914)	(22,037)	(939,951)
Creditors due in more than one year	-	(943,963)	(943,963)
Total	(109,457)	1,331,715	1,222,258

Analysis of net assets between funds - prior year

	Restricted funds 2022	Unrestricted funds 2022	Total funds 2022
	£	£	£
Tangible fixed assets	7,914	-	7,914
Current assets	1,586,823	3,909	1,590,732
Creditors due within one year	(637,148)	-	(637,148)
Total	957,589	3,909	961,498

**19 Reconciliation of net movement in funds to net cash flow
from operating activities**

	2023	2022
	£	£
Net income for the year (as per Statement of Financial Activities)	260,759	292,552
Adjustments for:		
Depreciation charges	18,497	1,025
Decrease/(increase) in debtors	323,118	(168,792)
Increase in creditors	1,246,766	118,036
Net cash provided by operating activities	1,849,140	242,821

RED BALLOON LEARNER CENTRE NW LONDON
(A company limited by guarantee)

20 Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	283,181	742,341
Total cash and cash equivalents	283,181	742,341

21 Analysis of changes in net debt

	At 1 September 2022	Cash flows	Other non-cash changes	At 31 August 2023
	£	£	£	£
Cash at bank and in hand	742,341	(459,159)	-	283,182
Debt due within 1 year	(4,130)	-	(22,060)	(26,190)
Debt due after 1 year	-	-	(943,963)	(943,963)
	738,211	(459,159)	(966,023)	(686,971)

22. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £19,080 (2022: £15,963). £4,153 (2022: £4,130) were payable to the fund at the balance sheet date and are included in creditors.

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23. Operating lease commitments

At 31 August 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	48,370	48,370
Later than 1 year and not later than 5 years	43,815	92,185
	92,185	140,555

24. Members' liability

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

25. Related party transactions

The Company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Company at 31 August 2023.