

Charity Registration Number: 1136446
Company Registration Number: 7150417

RED BALLOON LEARNER CENTRE READING
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

**Red Balloon Learner Centre Reading
Trustees Report and Financial Statements
For the year ended 31 August 2020**

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Red Balloon Learner Centre Reading
Charity Information
For the year ended 31 August 2020

Name	Red Balloon Learner Centre Reading (the “charity” or “company”)	
Registered Office	220 Kings Road, Reading, Berkshire, RG1 4JJ	
Company Registration Number	7150417	
Charity Registration Number	1136446	
Trustees	The Board of Trustees and Directors of the charity during the year ended 31 August 2020 and at the date that the report and accounts were approved were:	
	Alasdair Pearson (Chair)	Appointed 13 November 2019
	Gavin McDonald	
	Georga Godwin	
	Dr John Nicholsby	
	Dov Whittle	Appointed 13 November 2019
	Tony Lake	Appointed 12 February 2020
	Christopher Gallimore	Resigned 9 December 2020
Head of Centre	Christina Pepper	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill, West Malling Kent ME19 4JQ	
Independent Examiner	Edwin Smith Chartered Accountants 32 Queens Road Reading RG1 4AU	

**Red Balloon Learner Centre Reading
Report of the Trustees
For the year ended 31 August 2020**

Object of the Charity

The object of the charity is to advance the education of children aged 11 to 18 at the Red Balloon Learner Centre, being students who are victims of severe bullying, or by reason of other emotional or mental health trauma, are for the time being unable to attend mainstream schools. This is achieved by providing tuition and appropriate support for them in a safe learning environment until they are ready to return to mainstream education or enter employment.

Governance

The charity has a Board of Trustees who are responsible for the governance of the charity. The Board of Trustees has the power to appoint new trustees. People who come to the trustee's attention as having relevant experience, interest or expertise are asked if they would consider becoming a trustee, are interviewed by other trustees and, if it is considered appropriate, are introduced to all of the trustees. All trustees are subject to DBS checks.

The Board aims to meet 6 times per year and holds an AGM in the Spring Term. At each meeting student progress is reviewed and regular management accounts are provided for review by the Trustees. Safeguarding is also included as an agenda item at each meeting.

Management

The Board of Trustees, in consultation with the Head of Centre, make decisions on staffing, budgeting, and performance reviews.

Trustees need to raise local public awareness of the need of 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 local fundraising and engaging local businesses and schools in volunteering services or fundraising for us.

Red Balloon Learner Centre Reading is part of the wider Red Balloon Group. This provides a forum for the Trustees and staff to share experiences, discuss common problems and make joint representations to the Board of Red Balloon Learner Centre Group

Risk analysis

The trustees have examined the major strategic and operational risks which the charity faces. The two main areas of concern are:

1. Safeguarding and continued education of the students

Safeguarding of students is of the highest priority and is continually monitored. Ongoing staff training in Health & Safety and Child Protection is provided regularly. In addition, a full range of policies are regularly reviewed by staff and trustees.

2. Sourcing of funding for students

Staff, supported by Trustees, continue to make strenuous efforts building and maintaining good relationships with education establishments and local authorities. The Trustees and Head of Centre have developed a fee pricing structure that reflects the varying support and educational needs of each student.

**Red Balloon Learner Centre Reading
Report of the Trustees (continued)
For the year ended 31 August 2020**

Achievements and Performance of the Charity

The trustees are satisfied with the performance of the charity for the year ending 31 August 2020. The objectives of the charity are only achieved through the skill, hard work and dedication of the staff and volunteers at Red Balloon and as Trustees we are indebted to the team.

This year found the Centre facing new challenges as the pandemic and resultant national lockdowns required staff and students to make the swift transition from face-to-face teaching and learning to online. New procedures, guidance and risk assessments were put into place to allow academic and well-being sessions to take place via video conferencing and related online platforms. While the Centre was eventually able to reopen on a limited basis after the May half term, the impact of the pandemic on young people's mental health was already beginning to show. In response to this we focussed on implementing our new Outreach programme which complements our other strategies to support more young people in our area.

The charity started the year supporting 18 students and by the end of the year were supporting 23 students. Of these students 15 were still with us at the start of the 2020/21 academic year and of those who left 7 moved on to further education and 1 transitioned to a different alternative provision.

Three of our students sat GCSE exams in the summer of 2020 and the results were positive.

During the year we received funding to enhance the centre to provide an even better environment for our students. This included improved the lighting (such as colour-changing lighting in the sensory room), building a new Food Tech teaching kitchen, internal restructuring to make better use of the space and significant investment in improving our IT infrastructure.

Red Balloon is not just about academic results but about giving students a wider learning experience and focusing on wellbeing and personal development. Significant time, energy and expertise is given to ensuring this is achieved.

Wellbeing

Our Art and Music therapists provide confidential counselling as well as individual and group well-being sessions for all students. In addition to this we have begun to offer equine and canine therapy as we recognise the therapeutic benefits animals have on our students. Circle Time allows the community to come together to reflect, discuss our values and share our challenges and successes. And the addition of Challenge Time is an opportunity for students to develop skills like teamwork, resilience, and critical thinking.

The team works closely with students to foster a sense of community at the Centre. This includes eating together, celebrating birthdays & holidays, and discussing current news. Respect for each other and building trusting relationships is key to the work we do.

Physical education continues to be an important part of our well-being offer with students having had the opportunity to take part in sports including basketball, kayaking, and boxing. Due to Covid-19 our normal range of physical activity was curtailed for much of the spring and summer terms. But during lockdown students were encouraged to go out for a daily walk and document their exercise through photographs or by collecting items of nature to form an art exhibition which is now displayed in the Centre.

**Red Balloon Learner Centre Reading
Report of the Trustees (continued)
For the year ended 31 August 2020**

Achievements and Performance of the Charity (continued)

Wider learning and personal development

In previous years academic lessons have been complimented by a range of enrichment activities including trips to museums, theatre, and cultural events. Unfortunately, this was limited this year by the Covid-19 related national lockdowns. These activities will resume as the country comes out of lockdown.

It is our hope that this offer of academic and therapeutic activities provides the students with a range of ways to increase self-esteem and develop emotional regulation as well as social and life skills. As at other Red Balloon Learner Centres, achievement and performance at Red Balloon Reading will be measured by the increase in self-esteem and confidence of each student, in their ability to hold their own in the wider world and in their understanding of themselves and others.

When planning activities for the year the trustees have considered the Charity Commission's guidance on public benefit.

Future plans of the Charity

Upward trends in referrals as well as the anticipated impact that Covid-19 will have on young peoples' mental health, has given us every indication that we should consider opening a second Centre in our locality. This will be investigated over the next year and a business plan will be developed to understand the need and financial feasibility for opening a second Centre.

Financial review

Total unrestricted income during the period was £563,831 (2019 - £408,181) an increase of 38.1%. This consisted largely of income from the local authorities which was received to fund the education and wellbeing of the students whilst outside mainstream education. Total restricted donations in the year were £24,125 (2019 - £9,875), see note 8 for details of these funds.

Total expenditure was £461,378 (2019 - £365,646) and was incurred in performance of the charitable activities of the company, including staffing, direct student costs, rent, utilities and other general running costs.

An unrestricted surplus of £118,894 was recorded, bringing total unrestricted funds to £232,801 and within our targeted reserve policy.

We would like to thank all those that have fundraised, donated and volunteered time during the year.

Reserves policy

The Trustees policy on financial reserves is to ensure a minimum of 3-6 months of reserves are held in the bank account, in addition to any specifically determined requirements.

The investment policy and objectives

The trustees' policy on investment is to retain the surplus funds in interest bearing deposit accounts.

**Red Balloon Learner Centre Reading
Report of the Trustees (continued)
For the year ended 31 August 2020**

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of the Red Balloon Learner Centre Reading for the purposes of company law) are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and regulations.

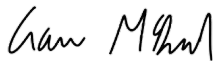
Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Standards and applicable law. Under company law the directors must not approve 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practices: Accounting and Reporting by Charities (2015);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, comprising FRS102, have been followed, subject to any material differences and explained in the financial statements, and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 regulations made under the Charities Act and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the Trustees



Gavin McDonald
Trustee and Director
19 May 2021

Red Balloon Learner Centre Reading
Independent Examiner's report to the Trustees
For the year ended 31 August 2020

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2020, which are set out on pages 9 to 14.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

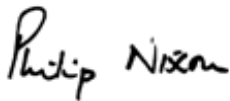
Independent examiner's report

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those accounting records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Philip J Nixon FCA
EDWIN SMITH
Chartered Accountants
32 Queens Road
Reading RG1 4AU

19 May 2021

Red Balloon Learner Centre Reading
Statement of Financial Activities
For the year ended 31 August 2020

	Notes	Unrestricted Funds	Restricted Funds	31 August 2020 Total	31 August 2019 Total
		£	£	£	£
INCOME FROM:					
Donations		325	24,125	24,450	10,494
Charitable activities	4	563,347	-	563,347	407,542
Interest received	3	159	-	159	20
Total income		563,831	24,125	587,956	418,056
EXPENDITURE ON:					
Charitable Activities					
Red Balloon of the Air costs		2,662	-	2,662	75,436
Wages and salaries	11	308,784	7,256	316,040	212,661
Other teaching resources		5,053	1,778	6,831	4,170
Student operating costs		21,246	1,296	22,542	-
Training and recruitment		5,882	-	5,882	3,841
Travel and subsistence		2,445	-	2,445	1,097
Rent and rates		27,382	-	27,382	27,131
Utilities		4,086	-	4,086	3,581
Insurance		3,682	-	3,682	63
Repairs and maintenance		37,371	5,820	43,191	9,026
Communication		1,513	-	1,513	1,844
Accommodation, food and cleaning		4,033	119	4,152	6,310
Office equipment		1,315	30	1,345	889
Consumables		312	142	454	2,245
Professional services		8,848	-	8,848	5,752
Red Balloon Group support fees		8,083	-	8,083	8,083
Independent examiners fee		1,176	-	1,176	1,200
Sundry operating expenditure		1,064	-	1,064	2,317
Total expenditure		444,937	16,441	461,378	365,646
Net income for the year		118,894	7,684	126,578	52,410
Fund balances brought forward	8	113,907	11,407	125,314	72,904
TOTAL FUNDS CARRIED FORWARD	8	232,801	19,091	251,892	125,314

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 on pages 11 -14 form part of these financial statements.

Red Balloon Learner Centre Reading
Balance Sheet
At 31 August 2020

	Notes	31 August 2020 £	31 August 2019 £
Current Assets			
Debtors	6	111,266	65,519
Cash at bank and in hand		<u>303,322</u>	<u>210,103</u>
		414,588	275,622
 Creditors: Amounts falling due within one year	 7	 (162,696)	 (150,308)
 Total assets less current liabilities		 <u>251,892</u>	 <u>125,314</u>
Net assets		<u>251,892</u>	<u>125,314</u>
 Financed by:			
Unrestricted Funds	8	232,801	113,907
Restricted Funds	8	<u>19,091</u>	<u>11,407</u>
Total Funds		<u>251,892</u>	<u>125,314</u>

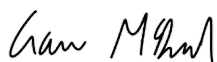
For the year ending 31 August 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of these financial statements under the requirements of section 476 of the Companies Act 2006.

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within part 15 of the Companies Act 2006 and with the Financial Reporting Standard 102 (FRS 102).

The notes on pages 11 – 14 form part of these financial statements.

The financial statements were approved by the Board of Trustees and Directors on 19 May 2021 and signed on their behalf by:



Gavin McDonald
Trustee and Director
19 May 2021

Company Registration Number: 7150417

Red Balloon Learner Centre Reading
Notes to the Accounts
For the year ended 31 August 2020

1. ACCOUNTING POLICIES

Company information

Red Balloon Learner Centre Reading is a registered charity and a company limited by guarantee incorporated in England and Wales on 9 February 2010. The registered office is 220 Kings Road, Reading, Berkshire, RG1 4JJ.

The charity constitutes a public benefit entity as defined by FRS 102.

Basis of accounting

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 in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The charity has taken advantage of the exemption for smaller charities to produce a cash flow statement.

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 have therefore continued to adopt the going concern basis in preparing these financial statements.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to, and sufficiently certain to receive, the income and the amount can be quantified with reasonable accuracy. The following policies apply to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full when receivable.
- Incoming resources from charitable activities are accounted for when earned. Deferred income relates to student fees which relate to future accounting periods.

Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

Red Balloon Learner Centre Reading
Notes to the Accounts
For the year ended 31 August 2020

Pension schemes

Employees of the charity are automatically enrolled into a defined contribution scheme unless they have exercised their right to opt out. The charity contribution is restricted to the contributions disclosed in note 11. The costs of the defined contribution scheme are included within unrestricted funds.

Fixed assets

Expenditure on fixed assets is only capitalised where it exceeds £1,000 and has an expected useful life greater than one year. There is currently no fixed asset expenditure capitalised in the accounts.

Debtors

Debtors are recognised at the settlement amount due.

Cash at bank and in hand

Cash at bank and in hand includes cash and cash held at bank current accounts and short term highly liquid investments held on deposit accounts.

Creditors

Creditors and provisions are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Financial instruments

The charity 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.

Operating leases

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

3. INTEREST RECEIVED

	31 August 2020	31 August 2019
	£	£
Bank interest received	159	20

4. INCOME FROM CHARITABLE ACTIVITIES

	31 August 2020	31 August 2019
	£	£
Student fees	563,347	407,542

Red Balloon Learner Centre Reading
Notes to the Accounts
For the year ended 31 August 2020

5. TAXATION

No liability to UK corporation tax arises as the company enjoys charitable status.

6. DEBTORS

	31 August 2020	31 August 2019
	£	£
Trade debtors	104,997	65,090
Amounts owed by other Red Balloon Centres	-	429
Prepayments	6,269	-
	111,266	65,519

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 August 2020	31 August 2019
	£	£
Trade creditors	22,211	-
Amounts owed to other Red Balloon Centres	-	-
Taxes and social security	4,802	2,768
Deferred income	134,323	144,948
Other creditors and accruals	1,360	2,592
	162,696	150,308

8. MOVEMENT IN FUNDS

	Balance at 31 August 2019 £	Incoming resources £	Resources expended £	Balance at 31 August 2020 £
<u>Unrestricted Funds:</u>				
General Funds	113,907	563,831	(444,937)	232,801
Total Unrestricted Funds	113,907	563,831	(444,937)	232,801
<u>Restricted Funds:</u>				
Bursary	3,791	3,913	-	7,704
Dark Room	276	-	(142)	134
Music Therapy	7,256	-	(7,256)	-
Wellbeing Room	84	54	(138)	-
Student Therapy	-	9,900	(1,352)	8,548
Building Work	-	10,258	(7,553)	2,705
Total Restricted Funds	11,407	24,125	(16,441)	19,091
Total:	125,314	587,956	(461,378)	251,892

Red Balloon Learner Centre Reading
Notes to the Accounts
For the year ended 31 August 2020

8. MOVEMENT IN FUNDS (CONTINUED)

Purpose of the restricted funds

- Bursary - Funds to contribute to a Bursary for a student to attend Red Balloon Reading.
- Dark Room - Funds to develop a photography dark room at Red Balloon Reading.
- Music Therapy - The Red Balloon Group provided funds to cover the cost of a music therapist.
- Wellbeing Room - Funds to develop a dedicated wellbeing room for our students and staff.
- Student Therapy - Funds to provide therapeutic provisions to our students, for example equine or canine therapy.
- Building Work - Funds to enhance the learner centre to provide our students with the best learning and therapeutic environment

9. SHARE CAPITAL

The company is limited by guarantee and as such does not have any share capital.

10. LEASE COMMITMENTS

The Company leases a property from Red Balloon Learner Centre Group. At 31 August 2020 the Company had the following total future minimum lease payments under non-cancellable operating leases:

	31 August 2020	31 August 2019
	£	£
Operating lease which expires:		
Not later than one year	1,875	1,875
Later than one year but not later than 5 years.	-	-
	<u>1,875</u>	<u>1,875</u>

11. STAFF COSTS

- Wages and salaries for employees (excluding employers National Insurance Contributions) for the year amounted to £294,403 (2019 - £197,118). No employee earned £60,000 p.a. or more.
- Social security costs for the year amounted to £16,006 (2019 - £9,940).
- Employer's pension costs for the year amounted to £5,055 (2019 - £2,722).
- There was an average of 18 staff (2019 - 14 staff) paid during the year.
- The key management personnel of the charity comprise the trustees, the Head of Centre and Deputy Head. The total employee benefits of the key management personnel of the Trust were £68,492 (2019 - £66,325).

12. TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

No members of the Board of Trustees and Directors received any remuneration during the year or prior year and no expenses were reimbursed. No trustee or other person related to the charity has any personal interest in any contract or transaction entered into by the charity during the year or prior year.

There were no related party transactions outside of those transactions with other Red Balloon entities.

The sole member of the Company is Red Balloon Learner Centre Group (company number 05385341). Copies of its consolidated accounts, which include the Company, are available from its registered address Winship House, Winship Road, Milton, Cambridge, England, CB24 6AP.