

Registration No. 07328440 (England and Wales)
Charity No. 1138657

RED BALLOON OF THE AIR
(a company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND
ADVISORS FOR THE YEAR ENDED 31 AUGUST 2021**

CHARITY REGISTRATION NUMBER	1138657
COMPANY REGISTRATION NUMBER	07328440
TRUSTEES	Mr M A Frankl (Chair) (resigned 22 April 2021) Dr C Herbert Mrs J R Raine (Treasurer) (resigned 5 July 2021) Mrs D Barry (resigned 5 July 2021) Mr M Maddocks (resigned 5 July 2021) Mrs C Revie (resigned 5 July 2021) Mrs C D Tiller (resigned 5 July 2021) Mr S J Webster (Appointed 28 June 2021) Ms Ruth Loskah (Appointed 28 June 2021) MR M J Reiss (Appointed 30 June 2021)
KEY MANAGEMENT PERSONNEL	Michelle Williams, Christina Smith, Wendy Bucktrout, Leanne Thurston, David Golding,
PRINCIPAL / REGISTERED OFFICE	Winship House Winship Road Milton Cambridge CB24 6AP
INDEPENDENT AUDITORS	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ
BANKERS	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

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TRUSTEES' REPORT (INCORPORATING A DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the Directors of the Charitable Company for the purposes of Company Law) present their report and the audited financial statements of the charity for the year ended 31 August 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 July 2010 that was amended on 16 July 2015.

The principal objectives of the charity are to advance the education of students aged 9 to 18, being students who are the victims of bullying, or by reason of other emotional trauma or illness, are for the time being unable to attend mainstream schools, including, but not limited to, providing them with online tuition and appropriate online and face to face therapy and support.

Governance of Red Balloon of the Air (RBAir)

During the year 2020-21, RBAir continued under the direct control of Red Balloon Educational Trust (formerly Red Balloon Learner Centre Group), Company No. 5385341. After the end of the year, in October 2021, the operations, assets and liabilities of Red Balloon of the Air were transferred to Red Balloon Educational Trust. 'Red Balloon of the Air' has been registered as a working name of Red Balloon Educational Trust with the Charity Commission, and the provision continues, under the RBAir working name, governed by Red Balloon Educational Trust (RBET). The RBAir Head Teacher and Senior Leadership Team will continue to work with the Red Balloon Educational Trust Trustees to develop RBAir's services in line with current best practice and inspectorate requirements.

Raising awareness

All parts of Red Balloon help to raise awareness of the needs of children who have severe anxiety and/or mental health issues as a result of bullying or some other trauma and who therefore cannot attend mainstream school despite wanting an education. Red Balloon offers such children a way to reconnect with their education.

b. Method of appointment or election of Trustees

The governance of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

All Trustee roles have detailed job descriptions. Potential Trustees are identified by various methods. If it is deemed desirable to recruit a Trustee with a particular set of skills, relevant experience or interest, such as in human resources, legislation or fundraising, existing Trustees are asked to propose people. In some cases, the Charity is approached by a person who expresses an interest in volunteering to help with its work. Trustees for specific roles may also be sought through the use of a specialist recruitment agency. Potential Trustees are invited to an interview with at least two of the Trustees who then make a recommendation about an appointment at a Trustee board meeting. After receiving a recommendation of appointment, Trustees vote to confirm this. No person or external body other than the Trustees is entitled to appoint Trustees.

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c. Policies adopted for the induction and training of Trustees

- i) All Trustees are invited to visit a Red Balloon Learner Centre in order to see how it operates and differs from a school.
- ii) The Chair explains the aims of Red Balloon Educational Trust.
- iii) The President describes the history of the founding and development of Red Balloon and expounds the five core principles governing the operation of the individual Learner Centres.
- iv) New Trustees are given the documents issued by the Charity Commission regarding the duties of Trustees ("The Essential Trustee"), together with "Red Balloon - An Introduction".

New Trustees are required to have a DBS check to ensure their suitability to work with young people, to complete Prevent and Safeguarding training and provide certificates confirming completion.

d. Organisational structure and decision making

- i) Day to day decisions are made by the Head Teacher and members of the Senior Leadership Team, in consultation with the Director of Education, the Chair of Trustees, or another Trustee if advice or guidance is necessary.
- ii) Subcommittees are set up to discuss particular issues and formulate proposals.
- iii) Major proposals are brought to the attention of the Trustees by the Chair, discussed, and decisions made are minuted and subsequently implemented.
- iv) The Trustees meet formally approximately twice per term during the academic year, when they receive and discuss written reports from the Head Teacher.
- v) At each meeting, the Chair asks Trustees to record any potential conflict of interest.

e. Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The Trustees have identified the following concerns:

1. Sourcing sustainable funding for students.
2. Sourcing students that are suitable for RBAir online provision.

RBAir holds a business continuity plan in which risks to the charity are assessed and responses to an incident recorded. A combination of risk likelihood and impact determine the materiality ascribed to a risk. On this basis, RBAir considers its most material risks to be:

- Loss or breach of IT systems caused by a catastrophic failure (e.g. flood, fire) or security breach. RBAir backs-up soft documents securely, accessibly and remotely. Passwords and virus protection are used on hardware. Personally identifiable information is encrypted. Separate and distinct data lines are maintained at its primary location.
- A serious safeguarding compliance issue. All staff are trained, up-to-date and conversant with Safeguarding policy, and using MyConcern to immediately log concerns about a child's safety or wellbeing. RBAir employs a trained full-time Safeguarding Lead. Risk assessments are completed prior to RBAir initiating provision. The online Evolve system is used to log all documentation required for trips and visits. A change in government policy that compromises RBAir's operational model. RBAir maintains an active dialogue with the DfE, educational inspectorates and local authorities. It also monitors the evolution of

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- educational regulations. RBAir provision is quality assured with data and evidence of student progression recorded.
- The financial pressure which comes from a combination of providing a high quality and very flexible service at a pricing level which is competitive and affordable for local authorities, schools, and parents. Fees are individualised and the cost of the provision is tightly tracked, with close monitoring of budget and cash levels by the SLT and Trustees.

2. OBJECTIVES AND STRATEGIES

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.

The RBAir provision involves both online and face-to-face learning and therapeutic support for children who are unable to attend school. RBAir has developed its provision in Cambridgeshire, Norfolk, Hertfordshire and Essex and new markets continue to be explored. Commissioners are increasingly aware of and interested in the potential that distance learning combined with local personal and social support holds for isolated children. RBAir has essentially developed a way to move many aspects of a school to a student in their moment of need. The student can re-engage with their education and is offered all the support necessary to prepare personally and practically for the next phase of their education and life. The RBAir provision continues in operation as a division of Red Balloon Educational Trust, and is a fundamental element of the new organisation. Therefore the service provided to students remains unaffected by the merger.

3. ACHIEVEMENTS AND PERFORMANCE

RBAir offers education and therapeutic support through its virtual centre, which operates from 9am - 5pm each weekday for 36 weeks of the year. The flexibility of the provision means RBAir is able to tailor services to suit each student's specific needs. RBAir was able to continue effectively with its provision despite the restrictions imposed due to the Covid-19 pandemic during the past two years.

Achievement and performance at RBAir are measured by attendance and the engagement level of each student in their education, the increase in self-esteem and confidence of each student, their ability to hold their own in the wider world, their understanding of themselves and others, and their return to appropriate mainstream or further education or employment. This is in addition to the usual expectations of academic progress in sessions and outcomes in external exams such as GCSEs.

At the start of the academic year RBAir provided its services to 63 students (47 with Education and Health Care (EHC) plans). Student numbers peaked at 104 in May 2021, and a total of 107 students were supported by RBAir across the whole year. Students were either funded by their school or academy, or by the local authority, or privately. Red Balloon Bursary Fund provided up to 50% of the fees for a small number of students who had inadequate financial backing.

Attendance

Before joining RBAir our students had extremely poor attendance at school, with many completely absent. Including all students who joined and/or left RBAir during the academic year, attendance improved to over 70% for 93 students, with over 50% attendance for another 20 students. (Ongoing anxiety and mental health issues adversely impacted the cohort, but there was a significant improvement in attendance.)

Academic achievement

Almost all the students supported by RBAir have previously missed months if not years of education. RBAir's academic support for students includes GCSE courses in maths, English, English literature, history, sciences, computer science, psychology, as well as a range of other subjects at GCSE or other levels. (RBAir also ensures all students have age-appropriate PSHEE and RSE sessions, which are statutory requirements for our secondary aged students.)

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RBAir is a JCQ-approved registered exam centre (no. 22234) and offers students a quiet, familiar and supportive environment in which to sit their exams. In certain circumstances, when space allows, we accept requests from external candidates to take their exams in our calm and quiet centre.

As well as GCSEs, RBAir aims to make a range of accessible qualification options available to students. In 2020/21:

- 10 ASDAN awards were obtained,
- 24 AQA certificates were awarded,
- 1 student gained Functional Skills qualifications in English,
- 3 students gained Functional Skills qualifications in Maths,
- 1 student was awarded an Entry Level Maths certificate.
- 1 student gained a BTEC in Animal Care
- 3 students were awarded the Bronze Arts Award

The year 2020/21 was anomalous in that, owing to the Covid-19 restrictions, Teacher Assessed Grades were awarded on the basis of student achievement. RBAir students took GCSE courses and received results in maths, English, and science (biology, chemistry and/or physics), as well as psychology, history, computer science, business studies and art. Over 91% of students who were due to sit GCSEs in English, Maths, or Science achieved good passes (grades 4-9).

15 students during the year were at Key Stage 3 (years 7-9). For these and for young people who were not working towards examinations, a system of rating engagement and closely monitoring participation was used. When students begin at RBAir, their participation and engagement with learning are the biggest factors indicative of future success in their programme. The fact that students are not 'graded' in the first part of their journey with RBAir enables them to re-engage with the education on offer and develop their love of learning in a wholly supportive 'risk-free' environment.

As the RBAir provision continues as a division of RBET, the new engagement reports are now completed once a term at each half-term point for each non-exam student. Alongside these formal reporting systems there is an ongoing reflective dialogue among mentors, teachers, therapists, students and families in order to monitor and adjust provision in response to students' needs and interests to encourage and facilitate every young person's full engagement in their learning.

Face-to-face support

RBAir provides blended support, complementing online academic learning with face-to-face local sessions in different regions. Our 'satellite centres' or 'community hubs' offer face-to-face learning opportunities and supported social skills development with peers for students in the same geographical area. Students are normally invited to such a gathering once per week.

The Cambridge satellite centre, attended weekly by many Cambridgeshire students, ran maths, science and English workshops, cooking, arts and crafts activities, self-care and life skills support, and forest skills workshops. In addition it organised outings and picnics.

A second base in Danbury, Essex provides students in the region with similar face-to-face support. The Danbury Centre has provided students with opportunities to undertake physical activity, social skills development, creative arts, and first aid training. Students have also participated in trips and outings, welcomed a range of guest speakers, and have been offered face-to-face mentoring and therapy sessions in the Centre. The Danbury Centre now has exam centre registration and is running its first exam series in summer 2022, as part of the RBET organisation.

Student gatherings (and exams) also take place in partnership with other Red Balloon Centres, particularly in RB-Norwich, where students ready for face-to-face learning gather together weekly.

Structured wellbeing/therapy sessions are included in RBAir provision. During 2020/21, 64 students attended therapy sessions with RBAir. Wellbeing progress is tracked by the therapist against the three facets of RBAir's Wellbeing framework, reflecting the students' goals for their Self, their relationships with Others, and finally their aspirations in The Wider World.

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Safeguarding

RBAir continues to meet all requirements in relation to safeguarding matters. All safeguarding policy, procedural and operational matters are reviewed and updated annually.

Inspection of our safeguarding procedures and processes forms an integral part of our annual quality assurance and safeguarding inspection by Cambridgeshire County Council and other local authorities. (RBAir has been an approved stage 4 alternative provision in Cambridgeshire for some years and continues to be so.)

All concerns of a safeguarding nature are recorded. During 2020-2021, 219 concerns were recorded across 53 students. Of this number, 83 directly related to mental health, including low mood, self-harm, suicidal thoughts, and attempted suicide. Five students were hospitalised during the year, there were five social care referrals and three open police investigations.

RBAir responds promptly to all concerns, liaises closely with parents and carers, continues to refer students to CAMHS as required and to support, mentor and offer therapy for each student as needed.

We are mindful that our students may be isolated, so our mentors regularly visit those who do not otherwise attend face to face sessions. During the pandemic, to reduce risk of infection, online mentoring was offered to some students. However if there were safeguarding concerns, a Covid risk-assessed face-to-face visit took place to ensure the safety and wellbeing of the young person with an 'eyes-on' check.

Post-16 Programme

Since 2019, in partnership with Cambridgeshire LA, RBAir has continued to develop a post-16 provision. The programme was based around Preparation for Adulthood after the LA identified a gap in support for 16+ EHCP learners who are not yet ready to attend larger institutions, such as further education colleges. First year take-up was low, with up to only five post-16 referrals in FY19/20, but numbers have increased and there were 26 post 16 active learners in FY20/21. Broadening the RBAir provision offer to post-16 has been welcomed by other local authorities and total numbers in FY21/22, within RBET, have risen to 45.

Transition

Of the 47 leavers in the year, 34 were year 11 or post year 11. The majority have successfully transitioned to other education or training providers, with 25 post-16 learners going on to further education, and one now in employment. In addition, 15 learners are continuing their studies at other RB centres, two have returned to education with an alternative provision, and one is home learning.

The pandemic caused some disruption to all post-16 organisations' application and induction processes, and as a result a few learners continue to be supported by RBAir on 'transitions packages' while starting FE programmes (mentor only and a full day per week transitions programme). RBAir Mentors and Transitions staff carefully monitor the progress of these leavers. Occasionally these checks result in an emergency Annual Review with a learner returning to RBAir for a short time.

4. FINANCIAL REVIEW

a. Going concern and financial review

Total income for the year increased by 18% on the previous year, to £1,635,834 (2020: £1,384,559). While grants and donations only amounted to half the previous year's total, income from charitable activities, primarily comprising the fees for our students, increased by 30%. Owing to increased student numbers and more higher needs students the fees rose to £1,527,455 in this financial year, compared with £1,164,536 in the year ending 31 August 2020.

Despite increased student numbers, costs increased by only 2.3% year on year, to a total of £1,414,832 (2020: £1,382,138). Staffing costs increased by 2.8%, but owing to the restrictions on face-to-face activities during the pandemic, as well as a substantial reduction in property-related costs, savings were made elsewhere.

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The net result for the year was a surplus of £221,004, compared to £2,421 in 2019-2020. Restricted funds held at the year end amounted to £23,170 (2020: £41,605).

During the year, Red Balloon Educational Trust issued the landlord of Winship House with notice to exercise the right under the terms of the lease to initiate a break clause allowing the lease term to end after 28th September 2021. The Trustees agreed to seek a property that could potentially be registered as an independent school, and thereby enable the charity to register with the Department for Education (DfE). The move to a new building would also reduce property costs, thereby contributing to a more sustainable budget for future years. Red Balloon Educational Trust completed the purchase of a new property in Milton, Cambridgeshire, on 5th April 2022. The property will be used primarily by RBAir students.

RBAir, being a fully owned subsidiary of Red Balloon Educational Trust, has previously operated as a separate charity under the control of the parent company. In May 2021 it was agreed that merging the two charities would create a more sustainable structure and pave the way for future growth. Therefore, after the end of the year, on 12 October 2021, the operations, assets, and liabilities of Red Balloon of the Air were transferred to its parent company, Red Balloon Educational Trust (with the exception of the lease on the Essex premises, until this lease can also be transferred to RBET). Therefore, the accounts have been prepared on other than a going concern basis.

b. Principal Sources of Funding

The principal sources of funding are fees from commissioners (local authorities, schools and academies and private referrals), and grants from Trusts and Foundations.

The Trustees are very grateful to BBC Children in Need for its grants toward mentoring support for our students in Cambridgeshire and Essex, and for supporting a joint project with Red Balloon-Cambridge to offer science activities. RBAir also received generous grants from the Ingles Charitable Trust, the Charles S French Charitable Trust, Arm, and the St Neots Rotary Club. Thanks also go to Firebrand Associates, to the Chelmsford Mildmay Rotary Club, and to the many individual donors who contributed to RBAir over the year. These gifts have enabled us to provide students and parents with extra support during Covid-19 challenges. Contributions were also received to help meet the fees of some of the students from the Red Balloon Bursary Fund, kindly supported by individual donors.

c. Remuneration Policy

Staff at RBAir are placed in salary bands according to their role, responsibilities and experience. Progression to the next band is determined by experience and performance. Salaries are reviewed annually. Staff are remunerated modestly compared to their peers in mainstream education. Key management remuneration is set on appointment by the Trustees, with respect to the prevailing market rates for charities, and thereafter the Trustees decide on pay changes taking into account performance of the individual and of the charity, inflation levels and any changes in responsibility or in their working week.

The key management personnel comprises the Head Teacher, two Assistant Headteachers, and two senior managers, who have led the management of the charity during the year. The aggregate cost of key management personnel is detailed in note 8 of the accounts.

d. Investment Policy and Performance

Restricted funds and reserves are held in a CAF bank reserve account until required.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

e. Reserves Policy

The policy of Red Balloon of the Air has been to maintain a cash reserve that represented three months of the budgeted future annual expenditure. The unrestricted cash reserve of £422,173 held at 31 August 2021 met this policy. The reserves of Red Balloon of the Air were transferred to Red Balloon Educational Trust in October 2021, and will continue to be held as restricted for the RBAir provision. The Trustees agreed that RBAir would contribute part (£107k) of the reserves to the purchase of the Milton property in 2022.

5. PLANS FOR THE FUTURE

Red Balloon of the Air has continued to expand the provision of online education, meeting the needs of the young people it supports and by working closely with commissioners. The aim is to continue to provide an individualised service, incorporating both online real-time learning and therapeutic support, tailored to the particular needs of the student. This provision works well owing to the engagement and cooperation between commissioners, the physical Centres and RBAir. Continued increasing demand has shown this to be an effective model for future expansion.

Since the merger with RBET in October 2021, RBAir will continue, as an arm of RBET, to provide educational and therapeutic services to young people unable to attend school due to bullying and trauma. It will continue to work closely with the other RB Learner Centres and provide them with teaching support as requested. We shall also work with the Centres to seek to establish commissioning relationships with more local authorities, academies and academy trusts as we extend provision to new markets. Most growth is expected to occur in the East and South of England. However, we will also look to support young people elsewhere as relationships with commissioning parties from local authorities (LAs) and elsewhere are actively pursued, or strengthened. RBET will continue to quality assure its work and seek ISA and ISI support to ensure its provision is inspectorate compliant.

The Trustees of RBET are keen to register the new premises in Cambridge as an independent school, and seek registration with the Department for Education. This will further establish the provision as a reliable alternative to mainstream schools for those who need it, and is expected to facilitate further growth for the charity.

RBAir was one of only two UK providers to take part in the DfE's 2019 consultation regarding the registration and inspection of online education providers. This consultation has resulted in the creation of an official Online Education Accreditation Scheme, which is scheduled to open for applications in 2022. RBAir hopes to be one of the first online education providers in England to receive this new quality assurance.

6. FUNDRAISING STANDARDS INFORMATION

Fundraising is carried out on behalf of RBAir by a small team of professional fundraising staff employed by Red Balloon Educational Trust (RBET).

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

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

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The Charity's fundraising activities continue to be almost exclusively focused on approaches to grant-making bodies as well as high-net-worth individuals. It does not engage in any activities that put vulnerable people and others at risk from unreasonable intrusion on their privacy, unreasonably persistent approaches or undue pressure to donate. RBET does not engage in telephone or reciprocal marketing for fundraising purposes. No fundraising activities have been subcontracted out or carried out 'on behalf of' the Charity. No complaints have been received about the fundraising activity of the Charity (2020: none).

7. PUBLIC BENEFIT

RBAir provides educational and therapeutic services to children (9-18) who have been so traumatised (by bullying, physical violence, family breakdown etc) that they exclude themselves from school. There is no other purpose-made scheme to recover this group of children and to reconnect them with their education in any similar way in the UK.

Students supported by RBAir are provided with individual full-time academic, pastoral and therapeutic programmes.

Research by NatCen in 2011 estimated that 16,000 11-15 year olds in England are absent from secondary school where bullying is the primary cause of absence. Over 77,000 are estimated to be absent from state school where bullying is a contributory reason given for absence.

RBAir sees a need for much wider access in the UK to provision of the sort that it provides.

Red Balloon improves the skills and life opportunities of a group of socially isolated, confidence-lacking and ignored children who are out of school. Red Balloon contributes to stronger communities by identifying and addressing the problem of bullied and traumatised children with the help of the community and for the benefit of the community.

8. TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of Red Balloon of the Air) for the purposes of company law are responsible for preparing the Trustees' Annual 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 directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards 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 charitable company will continue in operation.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report, which has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the Board on 26 May 2022 and signed on its behalf by:



Carrie Herbert (May 25, 2022, 8:14pm)



Michael Reiss (May 26, 2022, 8:47pm)

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
RED BALLOON OF THE AIR**

Opinion

We have audited the financial statements of Red Balloon of the Air (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter- Basis of preparation

We draw attention to Note 1 of the financial statements, which describes the basis of preparation of the financial statements. The charity has transferred its operations, assets and liabilities to Red Balloon Educational Trust and ceased its operations as at 12 October 2021. As required by UK Accounting Standards, the trustees have prepared the financial statements on other than a going concern basis. Our opinion is not modified in respect of this matter.

Other information

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RED BALLOON OF THE AIR**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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.

RED BALLOON OF THE AIR
(a company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RED BALLOON OF THE AIR

Auditor's responsibilities for the audit of the financial statements

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

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

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

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluated the business rationale of significant transactions to identify large or unusual transactions. We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings, any correspondence with the Charity Commission and reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.
- We agreed the financial statement disclosures to underlying supporting documentation, made enquiries of management and officers of the charitable company regarding laws and regulations applicable to the organisation and discussed whether there had been any known breaches of laws and regulations in order to consider any possible further considerations or impact upon the charity.
- We reviewed the risk management processes and procedures in place and reports reviewed by the board.

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

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

RED BALLOON OF THE AIR
(a company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RED BALLOON OF THE AIR

Use of Report

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



Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of
PRICE BAILEY LLP

Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 31 May 2022

RED BALLOON OF THE AIR

(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted £	Restricted £	2021 Total £	2020 Total £
INCOME					
Donations and grants	2	33,324	75,009	108,333	219,565
Charitable activities	3	1,527,455	-	1,527,455	1,164,536
Investment income	4	48	-	48	458
Total income		1,560,827	75,009	1,635,836	1,384,559
EXPENDITURE					
Charitable activities	5	1,321,388	93,444	1,414,832	1,382,138
Total expenditure		1,321,388	93,444	1,414,832	1,382,138
Net income / (expenditure)		239,439	(18,435)	221,004	2,421
Net movement in funds		239,439	(18,435)	221,001	2,421
Reconciliation of funds:					
Total funds brought forward	15	147,634	41,605	189,239	186,818
Total funds carried forward	14	387,073	23,170	410,243	189,239

All amounts relate to discontinued activities of the charitable company.

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

The notes to the accounts are shown on pages 18 to 28.

RED BALLOON OF THE AIR
(a company limited by guarantee)
REGISTERED COMPANY NUMBER: 07328440

BALANCE SHEET
AS AT 31 AUGUST 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	11	16,764	16,332
TOTAL FIXED ASSETS		16,764	16,332
CURRENT ASSETS			
Debtors	12	152,281	178,650
Cash at bank and in hand		540,947	419,214
TOTAL CURRENT ASSETS		693,228	597,864
LIABILITIES			
Creditors: amounts falling due within one year	13	(299,749)	(424,957)
NET CURRENT ASSETS		393,479	172,907
TOTAL NET ASSETS		410,243	189,239
FUNDS OF THE CHARITY:			
Restricted funds	14	23,170	41,605
General funds	14	387,073	147,634
TOTAL FUNDS		410,243	189,239

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

The financial statements were approved by the Board of Trustees on 25 May 2022 and signed on their behalf by:



Carrie Herbert (May 25, 2022, 8:14pm)



Michael Reiss (May 26, 2022, 8:47pm)

The attached notes on pages 18 to 28 form part of these financial statements.

RED BALLOON OF THE AIR

(a company limited by guarantee)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Cash Flows from Operating Activities			
Net cash provided by / (used in) operating activities	19	134,026	19,962
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(12,293)	(12,834)
Proceeds from sales of property, plant and equipment		-	2,574
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		121,733	9,702
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the reporting period		419,214	409,512
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		540,947	419,214
		<hr/>	<hr/>

The attached notes on pages 18 to 28 form part of these financial statements.

RED BALLOON OF THE AIR

(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation of financial statements

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

The financial statements has been prepared on a basis other than as a going concern, as shown in note 1.2.

The Charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in sterling, which is the functional currency of the charity.

The Charity is registered in England and Wales. The address of the Charity's registered office is shown on page 1.

1.2 Going Concern

The Charity transferred its operations, assets and liabilities to its parent company, Red Balloon Educational Trust (RBET), on 12 October 2021 (with the exception of the lease on the Essex premises, until this lease can also be transferred to RBET). All assets were transferred at realisable value which is the same at the fair value shown in the accounts and no impairment has been necessary. The trustees have prepared the financial statements on the basis that the charity is other than a going concern and it is the intention that it will become dormant and then be closed.

1.3 Legal status of the Charity

There is no share capital as the company is limited by guarantee. The number of members during the year was 1 (2020: 1). Each member has guaranteed an amount, not exceeding £10, towards the company's liabilities in the event of a winding up, provided that a member has not ceased to be a member one year prior to any winding up order.

1.4 Fund accounting

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

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

RED BALLOON OF THE AIR

(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1.5 Income

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

Income from charitable activities relates to school fee income which is invoiced in advance at the start of each term. Fee income is recognised on a monthly basis as teaching occurs and fees received for future months are deferred as shown in note 13.

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the charity is demonstrably committed to either:

- Terminate the employment of an employee or group of employees before normal retirement date; or
- Provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The charity is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

Where costs cannot be directly attributed to particular headings they have been allocated to activities based upon staff numbers.

1.7 Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated off the cost on a straight line basis over their expected useful economic lives as follows:

Office equipment	33.33% on cost
Computer equipment	50% on cost
Leasehold Improvement	33.33% on cost

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

RED BALLOON OF THE AIR

(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1.8 Debtors

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

1.9 Cash at bank and In hand

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

1.10 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.11 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. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at cost which is their fair value.

1.12 Pensions

Employees of the charity are entitled to join a defined contribution pension scheme. The charity contribution is restricted to the contributions disclosed in note 9.

1.13 Operating Leases

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

1.14 Significant Estimates and Judgements

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

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

RED BALLOON OF THE AIR
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2 Donations and grants

	2021 £	2020 £
Grants	75,009	110,274
Bursaries	7,700	75,775
Other donations	25,624	33,516
	<u>108,333</u>	<u>219,565</u>

Restricted donations and grants received during the year amounted to £75,009 (2020 – £110,274) and unrestricted donations amounted to £33,324 (2020 - £109,291).

3 Income from Charitable Activities

	2021 £	2020 £
Teaching and support of bullied children	1,527,455	1,164,536
	<u>1,527,455</u>	<u>1,164,536</u>

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

4 Investment Income

	2021 £	2020 £
Interest income	48	458
	<u>48</u>	<u>458</u>

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

5 Analysis of expenditure by activity – current year

	Direct Costs £	Support costs (note 6) £	2021 costs £
Charitable activities:			
Teaching and support of bullied children	1,322,956	91,876	1,414,832
	<u>1,322,956</u>	<u>91,876</u>	<u>1,414,832</u>

Analysis of expenditure by activity – prior year

	Direct Costs £	Support costs (note 6) £	2020 costs £
Charitable activities:			
Teaching and support of bullied children	1,283,746	98,392	1,382,138
	<u>1,283,746</u>	<u>98,392</u>	<u>1,382,138</u>

Expenditure on charitable activities includes £1,280,923 (2020 - £1,230,883) spent from unrestricted funds and £133,909 (2020 - £151,255) spent from restricted funds.

RED BALLOON OF THE AIR
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6 Analysis of support costs	2021	2020
	£	£
Property	14,318	10,860
Finance and Professional	44,910	57,895
Levy expense	19,200	15,600
Staff costs	10,038	10,037
Governance – audit fees	3410	4,000
	<u>91,876</u>	<u>98,392</u>

7 Analysis of staff costs and key management personnel	2021	2020
	£	£
Wages and salaries	1,015,081	977,991
Social security costs	74,431	68,810
Pension	19,654	17,865
	<u>1,109,166</u>	<u>1,064,666</u>

The average monthly head count was as follows:

	2021	2020
	Number	Number
Charitable activities	<u>68</u>	<u>60</u>

No employee received remuneration amounting to more than £60,000 in either year.

During the year, no Trustees received any reimbursements of expenses (2020 - £Nil).

The charity considers its key management personnel to comprise of 5 people (2020: 3 people). During the year, the total employment benefits of these 6 included gross pay £151,207 (2020: £85,686), employers national insurance £15,572 (2020: £8,226) and employers pension costs of £3,462 (2020: £1,585).

A restructure programme was undertaken in 2019 in full consultation with the staff. The objective was to achieve a number of voluntary exits whilst retaining the skills required for the future.

- The exits were agreed by the board.
- The policy is to account for the termination payments at the point that the employee accepted the offer.
- The total payments made in the year were £nil (2020: £15,939).

RED BALLOON OF THE AIR
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8 Pension costs

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. Contributions payable by Red Balloon of the Air amounted to £19,654 (2020 - £17,989). The amount of outstanding contributions payable to the pension fund at the balance sheet date was £NIL (2020 - £277).

9 Net income

	2021 £	2020 £
Net income is stated after charging:		
(Profit)/Loss on sale of fixed assets	-	(2,178)
Operating lease rentals – land and buildings	108,958	135,686
Depreciation of charitable assets owned by the charity	11,862	11,842
Auditor's remuneration:		
- for audit services	5,500	4,000
- for non-audit services	450	450
	<u> </u>	<u> </u>

10 Taxation

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

11 Tangible fixed assets

	Computer equipment £	Office equipment £	Leasehold Improvements £	Total £
Cost				
At 1 September 2020	118,443	7,287	3,893	129,623
Additions	2,823	-	9,470	12,293
At 31 August 2021	<u>121,266</u>	<u>7,287</u>	<u>13,363</u>	<u>141,916</u>
Depreciation				
At 1 September 2020	106,526	6,452	313	113,291
Charge for the year	8,894	617	2,350	11,861
At 31 August 2021	<u>115,420</u>	<u>7,069</u>	<u>2,663</u>	<u>125,152</u>
Net book value				
At 31 August 2020	<u>11,917</u>	<u>835</u>	<u>3,580</u>	<u>16,332</u>
At 31 August 2021	<u>5,846</u>	<u>218</u>	<u>10,700</u>	<u>16,764</u>

RED BALLOON OF THE AIR
(a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12 Debtors

	2021	2020
	£	£
Trade debtors	94,995	103,514
Amount due from group undertakings	26,188	47,600
Other debtors	270	270
Prepayments and accrued income	30,825	27,266
	<u>152,278</u>	<u>178,650</u>

13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	3,389	4,965
Amounts owed to group undertakings	35,198	45,633
Social security and other taxes	16,190	15,362
Accruals and deferred income	244,972	358,997
	<u>299,749</u>	<u>424,957</u>

Deferred income

	2021	2020
	£	£
Deferred income at 1 September	343,537	208,322
Income deferred during the year	222,158	343,537
Amounts released from previous years	<u>(343,537)</u>	<u>(208,322)</u>
Deferred income at 31 August	<u>222,158</u>	<u>343,537</u>

Deferred income relates to school term fees, being unrestricted income, invoiced in advance.

RED BALLOON OF THE AIR
(a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14 Funds analysis – current year

	Balance at 01/09/2020 £	Income £	Expenditure £	Transfers £	Balance at 31/08/21 £
Unrestricted funds					
General funds	147,634	1,560,827	(1,321,388)	-	387,073
Total unrestricted funds	147,634	1,560,827	(1,321,388)	-	387,073
Restricted funds					
Funding for regional mentors	-	60,317	(60,317)	-	-
Funding to develop RB Air provision	41,605	14692	(33127)	-	23,170
Funding for student resources	-	-	-	-	-
Total restricted funds	41,605	75,009	(93,444)	-	(23,170)
Total funds	189,239	1,635,836	(1,414,832)	-	410,243

15 Funds analysis – prior year

	Balance at 01/09/19 £	Income £	Expenditure £	Transfers £	Balance at 31/08/20 £
Unrestricted funds					
General funds	104,127	1,274,285	(1,230,883)	105	147,634
Total unrestricted funds	104,127	1,274,285	(1,230,883)	105	147,634
Restricted funds					
Funding for regional mentors	14,591	58,850	(73,540)	99	-
Funding to develop RB Air provision	67,123	51,424	(76,739)	(203)	41,605
Funding for student resources	977	-	(976)	(1)	-
Total restricted funds	82,691	110,274	(151,255)	(105)	41,605
Total funds	186,818	1,384,559	(1,382,138)	-	189,239

RED BALLOON OF THE AIR
(a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15 Funds analysis

Funding for Regional Mentors includes funds provided to support the provision of therapeutic support and mentoring to students.

Funding to develop RBAir provision consists of funds awarded to help with the growth and development of Red Balloon of the Air.

Funding for Student Resources includes grants for resources to aid in the online or face to face education provision.

16 Analysis of net assets by funds – current year

	Restricted Funds	Unrestricted funds	Total funds
	£	£	£
Tangible fixed assets	-	16,764	16,764
Current assets	23,170	670,055	693,228
Creditors due within one year	-	(299,749)	(299,749)
	<u>23,170</u>	<u>387,070</u>	<u>410,243</u>

16 Analysis of net assets by funds – prior year

	Restricted Funds	Unrestricted funds	Total funds
	£	£	£
Tangible fixed assets	-	16,332	16,332
Current assets	41,710	556,154	597,864
Creditors due within one year	-	(424,957)	(424,957)
	<u>41,710</u>	<u>147,529</u>	<u>189,239</u>

17 Related party transactions

Analysis of related parties – current year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon Educational Trust	4,286	34,758	7586	27,496
Red Balloon Braintree	-	-	-	-
Red Balloon Norwich	18,413	-	126,592	112,345
Red Balloon Reading	1,802	-	34,532	30,064
Red Balloon Cambridge	-	-	4,625	6,497
Red Balloon North West London	1,687	440	74,589	81,647
	<u>26,188</u>	<u>35,198</u>	<u>247,924</u>	<u>258,049</u>

RED BALLOON OF THE AIR

(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

17 Related party transactions (continued)

Analysis of related parties – prior year

	Debtor £	Creditor £	Income £	Expenditure £
Red Balloon Educational Trust	-	45,633	113,270	203,316
Red Balloon Braintree	-	-	-	-
Red Balloon Norwich	36,703	-	177,142	-
Red Balloon Reading	8,333	-	3,006	12,916
Red Balloon Cambridge	1,360	-	1,360	-
Red Balloon North West London	-	-	25,349	965
	<u>46,396</u>	<u>45,633</u>	<u>320,127</u>	<u>217,197</u>

Red Balloon Educational Trust (formerly Red Balloon Learner Centre Group), Red Balloon Reading and Red Balloon Cambridge are group member charities.

There are no other related party transactions to note.

18 Controlling party

Red Balloon of the Air was 100% owned and controlled by Red Balloon Educational Trust, a company limited by guarantee and registered in England and Wales (registered company number: 05385341) and a registered charity with the Charity Commission (registered charity number: 1109606).

The principal purpose and activities of Red Balloon Educational Trust are to continue to raise public and political awareness of the plight of self-excluding children, to support the setting up of new Red Balloon Learner Centres, to raise money to do so and to monitor, maintain and, if possible, improve the quality of provision offered by existing Red Balloon Learner Centres. It can exercise control through having power to remove or appoint trustees.

The results of Red Balloon of the Air are consolidated into the accounts of Red Balloon Educational Trust and are available at the registered office shown on page 1.

In October 2021, the operations, assets and liabilities of Red Balloon of the Air were transferred to Red Balloon Educational Trust.

RED BALLOON OF THE AIR
(a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	221,004	2,421
Adjustments for:		
Depreciation charges	11,861	11,842
Profit/ (Loss) on disposal of tangible fixed assets	-	(2,178)
(Increase)/ Decrease in debtors	26,369	(93,207)
Increase/ (decrease) in creditors	(125,208)	101,084
Net cash provided by / (used by) operating activities	134,026	19,962

20 Analysis of net debt

	At Beginning of Year £	Cash Flows £	At End of Year £
Cash and cash equivalents	419,214	121,733	540,947
Total Net Debt	419,214	121,733	540,947

21 Operating leases

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

	Land and Buildings 2021 £	2020 £
Within one year	9,000	97,368
Within two to five years	-	46,658
After more than five years	-	-
	<u>9,000</u>	<u>144,026</u>