

# AREA 51 EDUCATION

England & Wales · Charity number 1139447

## Details

---

**Status** Registered

**Legal form** Charitable company

**Company number** [06724508](#)

**Registered** 2010-12-22

**Register** [View on the Charity Commission register](#)

## Contact

---

**Address** 1 Mallard Place  
Coburg Road  
London  
N22 6TS

**Phone** 02088817739

**Email** [admin@area51ed.org.uk](mailto:admin@area51ed.org.uk)

**Website** [www.area51ed.org.uk](http://www.area51ed.org.uk)

## Activities

---

**Objects:** A) TO ADVANCE THE EDUCATION OF PEOPLE WITH LEARNING DIFFICULTIES AND DISABILITIES IN THE DEVELOPMENT OF FUNCTIONAL SKILLS FOR LIFE AND WORK. B) THE ELIMINATION OF DISCRIMINATION ON THE BASIS OF LEARNING AND/OR PHYSICAL DISABILITY. C) THE PROMOTION OF SOCIAL INCLUSION AMONG PEOPLE WITH LEARNING AND/OR PHYSICAL DISABILITIES AND THEIR FAMILIES WHO ARE SOCIALLY EXCLUDED FROM SOCIETY OR PARTS OF SOCIETY AS A RESULT OF THEIR DISABILITIES BY: A. RAISING PUBLIC AWARENESS OF THE ISSUES AFFECTING PEOPLE WITH LEARNING AND/OR PHYSICAL DISABILITIES AND THEIR FAMILIES; B. PROVIDING A POSITIVE MODEL FOR CONTINUING EDUCATION FOR PEOPLE WITH LEARNING AND/OR PHYSICAL DISABILITIES AFTER COMPULSORY SCHOOL-LEAVING AGE. D) TO ADVANCE IN LIFE AND HELP YOUNG PEOPLE WITH LEARNING AND / OR PHYSICAL DISABILITIES THROUGH PROVIDING SUPPORT AND ACTIVITIES WHICH DEVELOP THEIR SKILLS, CAPACITIES AND CAPABILITIES TO ENABLE THEM TO PARTICIPATE IN SOCIETY AS MATURE AND RESPONSIBLE INDIVIDUALS. E) TO ACT AS A RESOURCE FOR PEOPLE WITH LEARNING AND / OR PHYSICAL DISABILITIES LIVING IN THE AREA OF LONDON BY PROVIDING ADVICE AND ASSISTANCE AND ORGANISING PROGRAMMES OF PHYSICAL, EDUCATIONAL AND OTHER ACTIVITIES AS A MEANS OF: A. ADVANCING IN LIFE AND HELPING YOUNG PEOPLE BY DEVELOPING THEIR SKILLS, CAPACITIES AND CAPABILITIES TO ENABLE THEM TO PARTICIPATE IN SOCIETY AS INDEPENDENT, MATURE AND RESPONSIBLE INDIVIDUALS; B. ADVANCING EDUCATION; C. RELIEVING UNEMPLOYMENT; F) PROVIDING RECREATIONAL AND LEISURE TIME ACTIVITY IN THE INTERESTS OF SOCIAL WELFARE FOR PEOPLE LIVING IN THE AREA OF BENEFIT WHO HAVE NEED BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABILITY, POVERTY OR SOCIAL AND ECONOMIC CIRCUMSTANCES WITH A VIEW TO IMPROVING THE CONDITIONS OF LIFE OF SUCH PERSONS. G) TO PROMOTE THE SOCIAL AND ECONOMIC INCLUSION, FOR THE PUBLIC BENEFIT, OF PEOPLE WITH LEARNING AND/OR PHYSICAL DISABILITIES WHO ARE EXCLUDED AS A RESULT OF THEIR DISABILITY BY PROVIDING OPPORTUNITIES FOR THE DEVELOPMENT OF AND EMPLOYMENT IN SOCIAL ENTERPRISE COMPANIES.

**Activities:** Area 51 Education provides full and part time continuing education opportunities to young people over the age of 16 who have severe, profound or complex learning difficulties and physical disabilities.

## Classification

---

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Disability, Economic/community Development/employment
- **Who:** Children/young People, People With Disabilities

## Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Barnet
- Camden
- Enfield
- Hackney
- Haringey
- Islington
- Kensington And Chelsea
- Redbridge
- Waltham Forest

## Finances

| Period end | Income     | Expenditure | Assets   | Employees |
|------------|------------|-------------|----------|-----------|
| 2025-07-31 | £2,359,269 | £2,425,574  | £443,915 | 62        |
| 2024-07-31 | £2,115,430 | £2,165,115  | £510,220 | 59        |
| 2023-07-31 | £2,100,349 | £2,246,326  | £559,905 | 60        |
| 2022-07-31 | £2,101,544 | £2,141,330  | £705,882 | 55        |
| 2021-07-31 | £1,919,790 | £1,916,705  | £700,045 | 55        |
| 2020-07-31 | £1,948,686 | £1,884,610  | £652,049 | 57        |

## Trustees

| Name                    | Role | Appointed  |
|-------------------------|------|------------|
| David Robert Stansell   |      | 2016-05-25 |
| Nicholas Anthony Fryars |      | 2024-11-01 |

---

# Accounts

---

---

**AREA 51 EDUCATION LTD**

**Report and Accounts**

**for the year ended 31 July 2025**

---

# **AREA 51 EDUCATION LTD**

## **Report and Accounts**

**for the year ended 31 July 2025**

### **INDEX**

---

#### **Page Number**

1 to 4 Trustees' (Directors') Annual Report

5 to 7 Independent Auditors' Report

8 Statement of Financial Activities

9 Balance Sheet

10 Statement of Cash Flows

11 to 17 Notes forming part of the Accounts

#### **The following pages do not form part of the statutory accounts:**

18 and 19 Detailed Income and Expenditure Account

# **AREA 51 EDUCATION LTD**

## **Company Information**

**Company Number: 06724508**

**Charities Number: 1139447**

---

### **Registered Office**

1 Mallard Place  
Coburg Road  
London  
N22 6TS

### **Trustees (and Directors)**

Mr D Stansell – Chairman and Secretary  
Mr N Fryars – Treasurer

### **Senior Staff**

Miss N Quarterman

### **Auditors**

Dickinsons Chartered Accountants  
Brandon House  
First Floor  
90 The Broadway  
Chesham  
Buckinghamshire  
HP5 1EG

### **Bankers**

National Westminster Bank Plc  
PO Box 4115  
Essex  
RM12 4DF

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2025**

---

**Trustees' Annual Report**

The Trustees submit their report together with the audited accounts for the year ended 31 July 2025.

The accounts have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 as amended by Charities Act 2022, the memorandum and Articles of Association and 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). This report is also a directors' report as required by the Companies Act 2006, as all trustees are directors.

**Structure, Governance and Management**

The Charity is constituted as a company, limited by guarantee, it does not have any share capital and it is governed by its Memorandum and Articles of Association.

The management of the Charity is the responsibility of the Trustees who are also appointed directors of the company. New trustees are appointed on the recommendation of existing trustees being deemed to have appropriate experience and knowledge for the role.

There are no formal procedures for inducting new trustees, however, any new trustee appointed would be practically aware of the work undertaken by the Charity and support is always provided by the founding trustees.

Details of related party transactions, where applicable, can be found in the notes to the accounts.

The day to day running of the Charity is undertaken by a senior staff member, Miss N Quarterman. Trustees meet on a regular basis to discuss performance and set targets for longer term goals.

**Objectives and Activities**

Area 51 Education Ltd is a charitable organisation whose aims are:

1. To advance the education of people with learning difficulties and disabilities in the development of functional skills for life and work.
2. The elimination of discrimination on the basis of learning and/or physical disability.
3. The promotion of social inclusion among people with learning and/or physical disabilities and their families who are socially excluded from society or part of society as a result of their disabilities by:
  - i) Raising public awareness of the issues affecting people with learning and/or physical disabilities and their families, and;
  - ii) Providing a positive model for continuing education for people with learning and/or physical disabilities after compulsory school-leaving age.
4. To advance in life and help young people with learning and/or physical disabilities through providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.
5. To act as a resource for people with learning and/or physical disabilities living in the area of London by providing advice and assistance and organising programmes of physical, education and other activities by advancing education and relieving unemployment.
6. Providing recreational and leisure time activity in the interests of social welfare for people living within the area of benefit who have need by reason of their age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.
7. To promote the social and economic inclusion, for the public benefit, of people with learning and/or physical disabilities who are excluded as a result of their disability by providing opportunities for the development of employment in social enterprise companies.

## **Trustees' (Directors') Annual Report**

### **for the year ended 31 July 2025**

---

In shaping our objectives and planning our activities, the Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and have complied with section 4 of the Charities Act 2011 as amended by Charities Act 2022.

The Trustees consider that the charity exists for the purpose of the local public benefit within the North London Boroughs of Haringey, Hackney, Tower Hamlets, Enfield, Barnet, Waltham Forest, Islington and Camden.

The Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

#### **Risk Assessment**

In order to comply with the Statement of Recommended Practice for Charity Accounts (FRS 102) a review of the major risks to which the charity is exposed and the systems that have to be established to mitigate those risks has been carried out. The Trustees receive regular reports and these are monitored on an ongoing basis at Board Level.

#### **Achievements and Performance**

Area 51 has finished implementing the Performance Improvement Action Plan that was drawn up after the 2022 OFSTED inspection. The provision has been successful in improving its delivery capability and strengthening its management in the financial year 2024-5; we are confident that these improvements provide a strong basis for continuity. Specific evidence for this view includes:

1. The latest Ofsted inspection returned the provision to a Good rating.
2. The provision has been successful in improving the manageability of staffing costs. Specifically, by enlarging the support worker base slightly, it has proved possible to significantly reduce dependence on agency staff.
3. The Adult Day Service has been successfully moved from Parma House to a new location at 15A Tottenham Lane, which also offers more capacity.
4. A new website is in place and sessional workshops are now being advertised.

Service delivery performance was good during the year, and staff morale is in general good. Financial performance was slightly disappointing; the shortfall recorded in these accounts was largely due to staff costs inflating faster than was anticipated when levels were set for Adult Day Service charges and Education E3 top-up funding.

#### **Future Developments and Strategies**

The Directors see three main challenges for the coming two years:

1. Accommodation for the Education provision.
2. Long term financial viability of the Education provision.
3. Coping with slow payment of agreed learner funding.

#### **Accommodation for the Education provision**

Haringey Council has notified the provision that they intend to serve notice on 1 Mallard Place, as it requires the site for a development project. The provision is currently negotiating with the Council to ensure that it can complete the current year at 1 Mallard Place.

The provision is seeking a new location for the Education provision. A new location must be found by the end of March to enable a start at this new location in September 2026. So far at least one location has been found that appears suitable, although some adaptation will be needed, for which restricted reserves can be used; the provision is also planning to seek additional grant funding to support the move. The rental and other costs for candidate locations identified so far do not exceed those for 1 Mallard Place.

#### **Long term financial viability of the Education provision**

Demand for placements in the Education provision continues to be strong. However, councils' ability and willingness to pay for these placements continues to be under severe stress. Refusal to accept cost increases is an increasingly common occurrence. Recent cost analysis suggests that the Education activities are making a significant loss of almost 10%. This is clearly unsustainable.

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2025**

---

The Adult Day Service provision does not seem to be affected in the same way. Although there are sometimes disagreements on charges, in general demand for placements is strong and in most cases willingness to pay is not a problem. We expect the margin on these activities in the current year to be healthy.

The Directors and the management of the provision therefore plan to hold a strategic review in the first quarter of 2026 to determine an appropriate response. This could involve a rebalancing of the activities or in an extreme case closure of the Education provision. However, at the moment we do not anticipate closure, as we expect that some – but maybe not all – councils would prove highly motivated to avoid this.

**Coping with slow payment of agreed learner funding**

Area 51 is experiencing slower payment of agreed learner funding in almost all areas than has previously been observed. This is a significant risk to operations, as it only has cash in hand to support just over a month of operations. Delaying payments is not an option for staff costs (68%) or accommodation (17%), leaving only two viable avenues:

1. Strengthened chasing of funding amounts due: this applies both to Adult Day Service invoices and agreed Education funding.
2. Working capital finance: this would incur interest charges but may need to be considered.

**Financial Review**

The Statement of Financial Activities for the year is set out on page 8 of the accounts.

Owing to its status as an Independent Specialist Provider, the Charity received grants from the Education Funding Agency and Local Authorities. During the year income amounted to £2,253,601 (2024: £2,025,045).

Staff costs are the Charity's core costs in meeting its objectives; these have increased from £1,337,436 in the prior year to £1,498,861.

The result for the year is a deficit of £66,305 (2024: £49,685).

**Statement of Trustees' Responsibilities**

Company law requires the Trustees to prepare accounts for each financial period which, give a true and fair view of the state of affairs of the Company and of the surplus for that period. In preparing those accounts the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- 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 accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure the accounts have been properly prepared in accordance with the provisions of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees' are aware, there is no other relevant audit information of which the Company's Auditors are unaware and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

## **AREA 51 EDUCATION LTD**

### **Trustees' (Directors') Annual Report**

**for the year ended 31 July 2025**

---

#### **Legal and Administrative Information**

Area 51 Education Ltd, also known as The John Dewey Specialist College is limited by guarantee and has no share capital.

Under the provisions of the Company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of the debts of the Company in the event of a deficiency of assets on a winding up of the Company.

The Company is a registered charity under the Charities Act 2011 as amended by Charities Act 2022 with registration number 1139447. The Company Number is 06724508.

#### **Reserves Policy**

The Trustees have established a policy to maintain reserves at a level sufficient to secure funding for suitable, long term premises when these can be found.

As at 31 July 2025 unrestricted reserves amounted to £354,207 (2024: £428,460) and restricted reserves amounted to £89,708 (2024: £81,760).

#### **Trustees and Directors**

The Trustees/Directors who served during the year, were as follows:

Mr D Stansell

Mr N Fryars

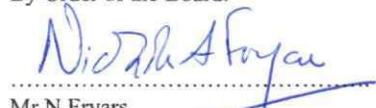
#### **Auditors**

The Auditors, Dickinsons Chartered Accountants have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

#### **Exemption Statement**

The accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board:



Mr N Fryars  
Trustee

9<sup>th</sup> March 2026

Date

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2025**

---

**Opinion**

We have audited the financial statements of Area 51 Education Ltd for the year ended 31 July 2025 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes 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 company's affairs as at 31 July 2025 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 3 to the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2025**

---

**Matters on which we are required to report by exception**

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

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

- adequate and proper 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' 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 3, the trustees (who are also the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under s144 of Charities Act 2011, as amended by Charities Act 2022, and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to include the Companies Act 2006, and relevant tax legislation.

We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. We examined discussed with management any known or suspected instances of fraud or non-compliance with laws and regulations.

## AREA 51 EDUCATION LTD

### Independent Auditors' Report to the Trustees

for the year ended 31 July 2025

---

We assessed the risks of material misstatement in respect of fraud as follows:

- The audit team questioned whether there were any areas that were susceptible to misstatement as part of their fraud discussion.
- In addressing the risk of management override of controls, we tested the appropriateness of journal entries with a focus on large or unusual transactions based on criteria determined using our knowledge of the business and industry. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements.
- We incorporated an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud, including designing audit procedures to address, for example:

- The possibility of fraudulent or corrupt payments made through third parties.
- The risk of bribery and corruption.
- The opportunity to segregate duties within the entity.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

- Using our general commercial and sector experience and through discussions with management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either because of fraud or error.
- The engagement partner considers the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We considered the extent to which the audit was considered capable of detecting irregularities:

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

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

#### Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to the, 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 company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Dominic Cader (Senior Statutory Auditor)**  
for and on behalf of Dickinsons, Statutory Auditor

Brandon House  
First Floor  
90 The Broadway  
Chesham  
Buckinghamshire  
HP5 1EG

.....25/03/2026.....  
Date

# AREA 51 EDUCATION LTD

## Statement of Financial Activities

for the year ended 31 July 2025

|                                    | Notes | Unrestricted Funds<br>£ | Restricted Funds<br>£ | 2025 Total Funds<br>£ | Unrestricted Funds<br>£ | Restricted Funds<br>£ | 2024 Total Funds<br>£ |
|------------------------------------|-------|-------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| <b>Incoming Resources</b>          |       |                         |                       |                       |                         |                       |                       |
| Charitable activities              | 5     | 2,253,601               | -                     | 2,253,601             | 2,025,045               | -                     | 2,025,045             |
| Donations                          | 6     | 1,994                   | -                     | 1,994                 | 2,486                   | -                     | 2,486                 |
| Investment income                  | 7     | 5,615                   | -                     | 5,615                 | 6,629                   | -                     | 6,629                 |
| Other income                       | 8     | 58,777                  | 39,282                | 98,059                | 48,706                  | 32,564                | 81,270                |
| <b>Total Incoming Resources</b>    |       | <u>2,319,987</u>        | <u>39,282</u>         | <u>2,359,269</u>      | <u>2,082,866</u>        | <u>32,564</u>         | <u>2,115,430</u>      |
| <b>Resources Expended</b>          |       |                         |                       |                       |                         |                       |                       |
| Costs of charitable activities     | 9     | 2,409,970               | 2,983                 | 2,412,953             | 2,136,476               | 14,706                | 2,151,182             |
| Other resources expended           | 10    | 12,621                  | -                     | 12,621                | 13,933                  | -                     | 13,933                |
| <b>Total Resources Expended</b>    |       | <u>2,422,591</u>        | <u>2,983</u>          | <u>2,425,574</u>      | <u>2,150,409</u>        | <u>14,706</u>         | <u>2,165,115</u>      |
| <b>Transfers Between Funds</b>     |       | 28,351                  | (28,351)              | -                     | -                       | -                     | -                     |
| <b>Deficit in Funds</b>            |       | <u>(74,253)</u>         | <u>7,948</u>          | <u>(66,305)</u>       | <u>(67,543)</u>         | <u>17,858</u>         | <u>(49,685)</u>       |
| <b>Reconciliation of Funds</b>     |       |                         |                       |                       |                         |                       |                       |
| Total Funds at 1 August 2024       |       | 428,460                 | 81,760                | 510,220               | 496,003                 | 63,902                | 559,905               |
| Net Movement in Funds              |       | (74,253)                | 7,948                 | (66,305)              | (67,543)                | 17,858                | (49,685)              |
| <b>Total Funds at 31 July 2025</b> | 18    | <u>354,207</u>          | <u>89,708</u>         | <u>443,915</u>        | <u>428,460</u>          | <u>81,760</u>         | <u>510,220</u>        |

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

All income and expenditure is derived from continuing activities.

The notes on pages 11 to 17 form part of these accounts

# AREA 51 EDUCATION LTD

## Balance Sheet

Charity Number: 1139447

as at 31 July 2025

|                                                       | Notes | £                | As at<br>31 July<br>2025 | £              | As at<br>31 July<br>2024 | £              |
|-------------------------------------------------------|-------|------------------|--------------------------|----------------|--------------------------|----------------|
| <b>Fixed assets</b>                                   |       |                  |                          |                |                          |                |
| Tangible fixed assets                                 | 13    |                  |                          | 40,326         |                          | 20,180         |
| <b>Current assets</b>                                 |       |                  |                          |                |                          |                |
| Debtors                                               | 15    | 300,251          |                          |                | 273,368                  |                |
| Cash at bank and in hand                              |       | 418,195          |                          |                | 589,427                  |                |
|                                                       |       | <u>718,446</u>   |                          |                | <u>862,795</u>           |                |
| <b>Creditors: amounts falling due within one year</b> | 16    | <u>(314,857)</u> |                          |                | <u>(372,755)</u>         |                |
| <b>Net current assets</b>                             |       |                  |                          | 403,589        |                          | 490,040        |
| <b>Total assets less current liabilities</b>          |       |                  |                          | <u>443,915</u> |                          | <u>510,220</u> |
| <b>Funds of the charity</b>                           |       |                  |                          |                |                          |                |
| Restricted income funds                               | 18    |                  | 89,708                   |                | 81,760                   |                |
| Unrestricted income funds                             | 18    |                  | 354,207                  |                | 428,460                  |                |
| <b>Total funds</b>                                    |       |                  | <u>443,915</u>           |                | <u>510,220</u>           |                |

These accounts were approved by the board on 9<sup>th</sup> March 2026

  
 Mr N Fryars  
 Trustee

The notes on pages 11 to 17 form part of these accounts.

# AREA 51 EDUCATION LTD

## Statement of Cash Flows

for the year ended 31 July 2025

|                                                             | Notes | 2025                  | 2024                  |
|-------------------------------------------------------------|-------|-----------------------|-----------------------|
|                                                             |       | £                     | £                     |
| <b>Cash flows from operating activities</b>                 |       |                       |                       |
| Cash absorbed by operations                                 | 22    | <u>(145,820)</u>      | <u>46,252</u>         |
| <b>Net cash (outflow)/inflow from operating activities</b>  |       | (145,820)             | 46,252                |
| <b>Investing activities</b>                                 |       |                       |                       |
| Purchase of tangible fixed assets                           |       | (31,021)              | (1,718)               |
| Proceeds from the disposal of tangible fixed assets         |       | -                     | 1,697                 |
| Interest received                                           |       | <u>5,615</u>          | <u>6,629</u>          |
| <b>Net cash (used)/received in investing activities</b>     |       | <u>(25,406)</u>       | <u>6,608</u>          |
| <b>Financing Activities</b>                                 |       |                       |                       |
| Repayment of Borrowings                                     |       | <u>(6)</u>            | <u>-</u>              |
| <b>Net cash paid from Financing Activities</b>              |       | <u>(6)</u>            | <u>-</u>              |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |       | (171,232)             | 51,163                |
| Cash and cash equivalents at beginning of year              |       | 589,427               | 538,264               |
| <b>Cash and cash equivalents at end of year</b>             | 23    | <u><u>418,195</u></u> | <u><u>589,427</u></u> |

*The notes on pages 11 to 17 form part of these accounts.*

Notes forming part of the Accounts

for the year ended 31 July 2025

---

**1 Principal Accounting Policies**

***Accounting Convention***

The accounts have been prepared under the historical cost convention, the Statement of Recommended Practice accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Act 2011 as amended by Charities Act 2022. The accounts include the results of the charity's operations which are described in the Trustees' Annual Report.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The trustees consider that the charity exists for the purpose of the local public benefit as defined in section 4 of the Charities Act 2011 as amended by Charities Act 2022.

***Going Concern***

The Trustees have adopted the going concern basis of accounting in preparing the financial statements. The Trustees are satisfied the charity has sufficient reserves and access to the financial support necessary to meet working capital requirements and enable the company to remain in operational existence for the foreseeable future.

***Incoming Resources***

Total incoming resources as shown in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

***Resources Expended***

Expenditure is accounted for on an accruals basis, recognised when a liability is incurred, and classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

***Basic Financial Assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic Financial Liabilities***

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

***Depreciation***

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

|                        |                                    |
|------------------------|------------------------------------|
| Leasehold improvements | -straight line over the lease term |
| Plant and machinery    | -25% on written down value         |
| Fixtures and fittings  | -25% on written down value         |

***Impairment of Fixed Assets***

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes forming part of the Accounts

for the year ended 31 July 2025

---

**Principal Accounting Policies (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed, if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

***Leases***

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

***Government Grants***

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

***Fund Accounting - Unrestricted Funds***

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

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

***Fund Accounting - Restricted Funds***

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is allocated to the fund.

***Retirement Benefits***

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

***Employee Benefits***

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**2 Judgements and Key Sources of Estimation Uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Notes forming part of the Accounts

for the year ended 31 July 2025

**3 Ethical Standard - Provisions Available for Small Entities**

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the accounts.

**4 Turnover**

The turnover and operating surplus for the year was derived from the company's principal activity and arises solely in the United Kingdom.

**5 Incoming Resources from Charitable Activities**

|                          | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|--------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Full time courses        | 975,361                    | -                        | 975,361            | 856,369            |
| Education funding agency | 1,278,240                  | -                        | 1,278,240          | 1,168,676          |
|                          | <u>2,253,601</u>           | <u>-</u>                 | <u>2,253,601</u>   | <u>2,025,045</u>   |

**6 Incoming Resources from Donations**

|           | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Donations | 1,994                      | -                        | 1,994              | 2,486              |

**7 Investment Income**

|                        | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest received | 5,615                      | -                        | 5,615              | 6,629              |

**8 Other Income**

|                       | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|-----------------------|----------------------------|--------------------------|--------------------|--------------------|
| Other grants received | -                          | 39,282                   | 39,282             | 32,564             |
| Rent receivable       | 53,267                     | -                        | 53,267             | 45,004             |
| Student café and shop | 5,510                      | -                        | 5,510              | 3,702              |
|                       | <u>58,777</u>              | <u>39,282</u>            | <u>98,059</u>      | <u>81,270</u>      |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2025

### 9 Costs of Charitable Activities

|                                       | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|---------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Equipment and general purchases       | 53,188                     | -                        | 53,188             | 34,913             |
| Learner transport and facilities hire | 118,307                    | -                        | 118,307            | 144,516            |
| Staff costs including employer's NI   | 1,498,861                  | -                        | 1,498,861          | 1,337,436          |
| Subcontract labour                    | 247,279                    | -                        | 247,279            | 157,212            |
| Staff training                        | 25,155                     | -                        | 25,155             | 13,929             |
| Clothing costs                        | 142                        | -                        | 142                | 331                |
| Rent and service charges              | 237,728                    | -                        | 237,728            | 223,627            |
| Rates                                 | 29,318                     | -                        | 29,318             | 27,745             |
| Insurance                             | 21,364                     | -                        | 21,364             | 21,268             |
| Light and heat                        | 26,206                     | -                        | 26,206             | 21,712             |
| Cleaning                              | 19,801                     | -                        | 19,801             | 17,892             |
| Repairs and maintenance               | 18,483                     | 2,983                    | 21,466             | 31,399             |
| Staff recruitment                     | 24,279                     | -                        | 24,279             | 23,754             |
| Printing, postage and stationery      | 9,486                      | -                        | 9,486              | 8,159              |
| Advertising                           | -                          | -                        | -                  | 95                 |
| Telephone charges                     | 6,676                      | -                        | 6,676              | 7,515              |
| Computer running costs                | -                          | -                        | -                  | -                  |
| Hire of equipment                     | 12,716                     | -                        | 12,716             | 5,718              |
| Motor vehicle leasing                 | 14,670                     | -                        | 14,670             | 15,208             |
| Motor running costs                   | 8,967                      | -                        | 8,967              | 5,580              |
| Travelling expenses                   | 2,721                      | -                        | 2,721              | 1,283              |
| Entertaining                          | -                          | -                        | -                  | -                  |
| Legal and professional fees           | 15,672                     | -                        | 15,672             | 28,729             |
| Bad and doubtful debts (recovered)    | (3,457)                    | -                        | (3,457)            | 3,497              |
| Sundry expenses                       | 704                        | -                        | 704                | 323                |
| Subscriptions                         | 10,829                     | -                        | 10,829             | 11,715             |
| Charitable donations                  | -                          | -                        | -                  | 11                 |
| Loss on disposal of assets            | -                          | -                        | -                  | 1,697              |
| Depreciation of plant and machinery   | 6,506                      | -                        | 6,506              | 2,489              |
| Depreciation of fixtures and fittings | 4,369                      | -                        | 4,369              | 3,429              |
|                                       | <u>2,409,970</u>           | <u>2,983</u>             | <u>2,412,953</u>   | <u>2,151,182</u>   |

### 10 Other Resources Expended

|                     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank charges        | 1,970                      | -                        | 1,970              | 1,868              |
| Accountancy charges | 4,651                      | -                        | 4,651              | 6,065              |
| Audit fee           | 6,000                      | -                        | 6,000              | 6,000              |
|                     | <u>12,621</u>              | <u>-</u>                 | <u>12,621</u>      | <u>13,933</u>      |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2025

### 11 Staff Costs and Pensions

|                              | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Wages and salaries           | 1,348,002                  | -                        | 1,348,002          | 1,216,815          |
| Employers N.I. contributions | 124,608                    | -                        | 124,608            | 97,666             |
| Staff pension contributions  | 26,251                     | -                        | 26,251             | 22,955             |
|                              | -----                      | -----                    | -----              | -----              |
|                              | 1,498,861                  | -                        | 1,498,861          | 1,337,436          |
|                              | =====                      | =====                    | =====              | =====              |

The earnings of 1 member of staff, including benefits in kind, are within the range of £60,000 to £69,999 (2024: 1). The average number of employees was 62 (2024: 59).

No employees participated in the Teachers' Pension Scheme.

### 12 Tax on Deficit

The company is a registered charity and is not liable to corporation tax.

### 13 Tangible Fixed Assets

|                       | Leasehold<br>Improvements<br>£ | Plant and<br>Machinery<br>£ | Fixtures<br>and fittings<br>£ | Total<br>£ |
|-----------------------|--------------------------------|-----------------------------|-------------------------------|------------|
| <b>Cost</b>           |                                |                             |                               |            |
| At 1 August 2024      | 122,894                        | 27,066                      | 66,163                        | 216,123    |
| Disposals in the year | -                              | -                           | -                             | -          |
| Additions in the year | -                              | 23,532                      | 7,489                         | 31,021     |
|                       | -----                          | -----                       | -----                         | -----      |
| At 31 July 2025       | 122,894                        | 50,598                      | 73,652                        | 247,144    |
|                       | =====                          | =====                       | =====                         | =====      |
| <b>Depreciation</b>   |                                |                             |                               |            |
| At 1 August 2024      | 122,894                        | 17,796                      | 55,253                        | 195,943    |
| Disposals in the year | -                              | -                           | -                             | -          |
| Charge for the year   | -                              | 6,506                       | 4,369                         | 10,875     |
|                       | -----                          | -----                       | -----                         | -----      |
| At 31 July 2025       | 122,894                        | 24,302                      | 59,622                        | 206,818    |
|                       | =====                          | =====                       | =====                         | =====      |
| <b>Net book value</b> |                                |                             |                               |            |
|                       | -----                          | -----                       | -----                         | -----      |
| At 31 July 2025       | -                              | 26,296                      | 14,030                        | 40,326     |
|                       | =====                          | =====                       | =====                         | =====      |
|                       | -----                          | -----                       | -----                         | -----      |
| At 31 July 2024       | -                              | 9,270                       | 10,910                        | 20,180     |
|                       | =====                          | =====                       | =====                         | =====      |

**AREA 51 EDUCATION LTD****Notes forming part of the Accounts****for the year ended 31 July 2025****15 Debtors**

|                | <b>2025</b>    | 2024           |
|----------------|----------------|----------------|
|                | <b>£</b>       | £              |
| Trade debtors  | 90,839         | 89,412         |
| Other debtors  | 104,470        | 48,025         |
| Prepayments    | 65,047         | 100,110        |
| Accrued income | 39,895         | 35,821         |
|                | <u>300,251</u> | <u>273,368</u> |

Other debtors totalling £26,324 (2024: £32,073) are recoverable after more than one year.

**16 Creditors: Amounts Falling Due Within One Year**

|                              | <b>2025</b>    | 2024           |
|------------------------------|----------------|----------------|
|                              | <b>£</b>       | £              |
| Trade creditors              | 109,657        | 91,428         |
| Taxation and social security | 33,965         | 22,381         |
| Accruals                     | 34,701         | 35,455         |
| Other creditors              | 136,534        | 223,491        |
|                              | <u>314,857</u> | <u>372,755</u> |

**17 Operating Lease Commitments**

Operating lease payments represent rentals payable by the company for the lease of equipment and property.

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

**Property**

|                       | <b>2025</b>      | 2024           |
|-----------------------|------------------|----------------|
|                       | <b>£</b>         | £              |
| In less than one year | 119,540          | 107,867        |
| In two to five years  | 671,529          | 285,660        |
| In over five years    | 533,750          | 41,659         |
|                       | <u>1,324,819</u> | <u>435,186</u> |

**Vehicles**

|                       | <b>2025</b> | 2024          |
|-----------------------|-------------|---------------|
|                       | <b>£</b>    | £             |
| In less than one year | 732         | 15,208        |
| In two to five years  | -           | 732           |
|                       | <u>732</u>  | <u>15,940</u> |

**Lessor**

At the reporting end date, the company had contracted with tenants for the following minimum lease payments:

**Property**

|                       | <b>2025</b>   | 2024           |
|-----------------------|---------------|----------------|
|                       | <b>£</b>      | £              |
| In less than one year | 51,600        | 51,600         |
| In two to five years  | 34,400        | 86,000         |
|                       | <u>86,000</u> | <u>137,600</u> |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2025

| 18 | Reserves           | Balance at<br>1 August<br>2024<br>£ | Movement in<br>the year<br>£ | Balance at<br>31 July<br>2025<br>£ |
|----|--------------------|-------------------------------------|------------------------------|------------------------------------|
|    | Unrestricted funds | 428,460                             | (74,253)                     | 354,207                            |
|    | Restricted funds   | 81,760                              | 7,948                        | 89,708                             |
|    |                    | <u>510,220</u>                      | <u>(66,305)</u>              | <u>443,915</u>                     |

## 19 Called Up Share Capital

The company is limited by guarantee and has no share capital. Under the provisions of the company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of debts of the company in the event of a deficiency of assets on winding up of the company.

## 20 Control

The charity has been controlled throughout the year by the trustees.

## 21 Related Party Transactions

During the year there were no related party transactions.

## 22 Cash Generated from Operations

|                                                      | 2025<br>£        | 2024<br>£     |
|------------------------------------------------------|------------------|---------------|
| Deficit for the year                                 | (66,305)         | (49,685)      |
| <b>Adjustments for:</b>                              |                  |               |
| Investment income                                    | (5,615)          | (6,629)       |
| Depreciation and impairment of tangible fixed assets | 10,875           | 5,917         |
| Loss on disposal of tangible fixed assets            | -                | 1,697         |
| <b>Movements in working capital:</b>                 |                  |               |
| Increase in debtors                                  | (18,715)         | (8,603)       |
| (Decrease)/increase in creditors                     | (66,060)         | 103,555       |
| <b>Cash (spent)/generated from operations</b>        | <u>(145,820)</u> | <u>46,252</u> |

## 23 Analysis of Changes in Net Funds

|                          | Balance at<br>1 August<br>2024<br>£ | Movement in<br>the year<br>£ | Balance at<br>31 July<br>2025<br>£ |
|--------------------------|-------------------------------------|------------------------------|------------------------------------|
| Cash at bank and in hand | <u>589,427</u>                      | <u>(171,232)</u>             | <u>418,195</u>                     |

**AREA 51 EDUCATION LTD****Detailed Income and Expenditure Account****for the year ended 31 July 2025**

|                                                      | <b>Year<br/>Ended<br/>31 July<br/>2025<br/>£</b> | <b>Year<br/>Ended<br/>31 July<br/>2024<br/>£</b> |
|------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>Incoming Resources</b>                            |                                                  |                                                  |
| <b>Incoming resources from charitable activities</b> |                                                  |                                                  |
| Full time courses                                    | 975,361                                          | 856,369                                          |
| Education funding agency                             | 1,278,240                                        | 1,168,676                                        |
|                                                      | <u>2,253,601</u>                                 | <u>2,025,045</u>                                 |
| <b>Voluntary income</b>                              |                                                  |                                                  |
| Donations                                            | 1,994                                            | 2,486                                            |
| <b>Investment income</b>                             |                                                  |                                                  |
| Bank interest received                               | 5,615                                            | 6,629                                            |
| <b>Other income</b>                                  |                                                  |                                                  |
| Other grants received                                | 39,282                                           | 32,564                                           |
| Rent receivable                                      | 53,267                                           | 45,004                                           |
| Student café and shop                                | 5,510                                            | 3,702                                            |
| <b>Total Incoming Resources</b>                      | <u>2,359,269</u>                                 | <u>2,115,430</u>                                 |
| <b>Resources Expended</b>                            |                                                  |                                                  |
| Charitable activities (Page 19)                      | 2,412,953                                        | 2,151,182                                        |
| Other resources expended (Page 19)                   | 12,621                                           | 13,933                                           |
| <b>Total Resources Expended</b>                      | <u>2,425,574</u>                                 | <u>2,165,115</u>                                 |
| <b>Deficit for the year</b>                          | <u>(66,305)</u>                                  | <u>(49,685)</u>                                  |

*This page does not form part of the statutory accounts*

**AREA 51 EDUCATION LTD****Detailed Income and Expenditure Account****for the year ended 31 July 2025**

|                                       | <b>Year<br/>Ended<br/>31 July<br/>2025<br/>£</b> | <b>Year<br/>Ended<br/>31 July<br/>2024<br/>£</b> |
|---------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>Charitable activities</b>          |                                                  |                                                  |
| Equipment and general purchases       | 53,188                                           | 34,913                                           |
| Learner transport and facilities hire | 118,307                                          | 144,516                                          |
| Staff costs including employer's NI   | 1,498,861                                        | 1,337,436                                        |
| Subcontract labour                    | 247,279                                          | 157,212                                          |
| Staff training                        | 25,155                                           | 13,929                                           |
| Clothing costs                        | 142                                              | 331                                              |
| Rent and service charges              | 237,728                                          | 223,627                                          |
| Rates                                 | 29,318                                           | 27,745                                           |
| Insurance                             | 21,364                                           | 21,268                                           |
| Light and heat                        | 26,206                                           | 21,712                                           |
| Cleaning                              | 19,801                                           | 17,892                                           |
| Repairs and maintenance               | 21,466                                           | 31,399                                           |
| Staff recruitment                     | 24,279                                           | 23,754                                           |
| Printing, postage and stationery      | 9,486                                            | 8,159                                            |
| Advertising                           | -                                                | 95                                               |
| Telephone charges                     | 6,676                                            | 7,515                                            |
| Hire of equipment                     | 12,716                                           | 5,718                                            |
| Motor vehicle leasing                 | 14,670                                           | 15,208                                           |
| Motor running costs                   | 8,967                                            | 5,580                                            |
| Travelling expenses                   | 2,721                                            | 1,283                                            |
| Legal and professional fees           | 15,672                                           | 28,729                                           |
| Bad and doubtful debts (recovered)    | (3,457)                                          | 3,497                                            |
| Sundry expenses                       | 704                                              | 323                                              |
| Subscriptions                         | 10,829                                           | 11,715                                           |
| Charitable donations                  | -                                                | 11                                               |
| Loss on disposal of assets            | -                                                | 1,697                                            |
| Depreciation of plant and machinery   | 6,506                                            | 2,489                                            |
| Depreciation of fixtures and fittings | 4,369                                            | 3,429                                            |
|                                       | <u>2,412,953</u>                                 | <u>2,151,182</u>                                 |
|                                       | =====                                            | =====                                            |
| <b>Other resources expended</b>       |                                                  |                                                  |
| Bank charges                          | 1,970                                            | 1,868                                            |
| Accountancy charges                   | 4,651                                            | 6,065                                            |
| Audit fee                             | 6,000                                            | 6,000                                            |
|                                       | <u>12,621</u>                                    | <u>13,933</u>                                    |
|                                       | =====                                            | =====                                            |

*This page does not form part of the statutory accounts*

---

# Accounts

---

**Company Number: 06724508**

**Charity Number: 1139447**

---

**AREA 51 EDUCATION LTD**

**Report and Accounts**

**for the year ended 31 July 2024**

---

# AREA 51 EDUCATION LTD

## Report and Accounts

for the year ended 31 July 2024

### INDEX

---

#### Page Number

1 to 4 Trustees' (Directors') Annual Report

5 to 7 Independent Auditors' Report

8 Statement of Financial Activities

9 Balance Sheet

10 Statement of Cash Flows

11 to 17 Notes forming part of the Accounts

#### **The following pages do not form part of the statutory accounts:**

18 and 19 Detailed Income and Expenditure Account

# **AREA 51 EDUCATION LTD**

## **Company Information**

**Company Number: 06724508**

**Charities Number: 1139447**

---

### **Registered Office**

1 Mallard Place  
Coburg Road  
London  
N22 6TS

### **Trustees (and Directors)**

Mr D Stansell – Chairman and Secretary  
Mr N Fryars – Treasurer

### **Senior Staff**

Miss N Quarterman

### **Auditors**

Dickinsons Chartered Accountants  
Brandon House  
First Floor  
90 The Broadway  
Chesham  
Buckinghamshire  
HP5 1EG

### **Bankers**

National Westminster Bank Plc  
PO Box 4115  
Essex  
RM12 4DF

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2024**

---

**Trustees' Annual Report**

The Trustees submit their report together with the audited accounts for the year ended 31 July 2024.

The accounts have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 as amended by Charities Act 2022, the memorandum and Articles of Association and 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). This report is also a directors' report as required by the Companies Act 2006, as all trustees are directors.

**Structure, Governance and Management**

The Charity is constituted as a company, limited by guarantee, it does not have any share capital and it is governed by its Memorandum and Articles of Association.

The management of the Charity is the responsibility of the Trustees who are also appointed directors of the company. New trustees are appointed on the recommendation of existing trustees being deemed to have appropriate experience and knowledge for the role.

There are no formal procedures for inducting new trustees, however, any new trustee appointed would be practically aware of the work undertaken by the Charity and support is always provided by the founding trustees.

Details of related party transactions, where applicable, can be found in the notes to the accounts.

The day to day running of the Charity is undertaken by a senior staff member, Miss N Quarterman. Trustees meet on a regular basis to discuss performance and set targets for longer term goals.

**Objectives and Activities**

Area 51 Education Ltd is a charitable organisation whose aims are:

1. To advance the education of people with learning difficulties and disabilities in the development of functional skills for life and work.
2. The elimination of discrimination on the basis of learning and/or physical disability.
3. The promotion of social inclusion among people with learning and/or physical disabilities and their families who are socially excluded from society or part of society as a result of their disabilities by:
  - i) Raising public awareness of the issues affecting people with learning and/or physical disabilities and their families, and;
  - ii) Providing a positive model for continuing education for people with learning and/or physical disabilities after compulsory school-leaving age.
4. To advance in life and help young people with learning and/or physical disabilities through providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.
5. To act as a resource for people with learning and/or physical disabilities living in the area of London by providing advice and assistance and organising programmes of physical, education and other activities by advancing education and relieving unemployment.
6. Providing recreational and leisure time activity in the interests of social welfare for people living within the area of benefit who have need by reason of their age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.
7. To promote the social and economic inclusion, for the public benefit, of people with learning and/or physical disabilities who are excluded as a result of their disability by providing opportunities for the development of employment in social enterprise companies.

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2024**

---

In shaping our objectives and planning our activities, the Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and have complied with section 4 of the Charities Act 2011 as amended by Charities Act 2022.

The Trustees consider that the charity exists for the purpose of the local public benefit within the North London Boroughs of Haringey, Hackney, Tower Hamlets, Enfield, Barnet, Waltham Forest, Islington and Camden.

The Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

**Risk Assessment**

In order to comply with the Statement of Recommended Practice for Charity Accounts (FRS 102) a review of the major risks to which the charity is exposed and the systems that have to be established to mitigate those risks has been carried out. The Trustees receive regular reports and these are monitored on an ongoing basis at Board Level.

**Achievements and Performance**

Area 51 has continued to implement the Performance Improvement Action Plan that was drawn up after the 2022 OFSTED inspection. Significant progress has been made in most of the areas criticised by Ofsted at the last inspection. Evidence collection and assessments of learner progress are now robust. Enrichment activities are now taking place regularly. Although there are still some issues with consistency of practice across classes, we expect that the next inspection will yield a better rating.

A lack of management capacity has impeded some of the improvement efforts. Area 51 therefore started a Management Improvement project in mid-2024. This has established a new management structure that is in the process of being filled. Some external recruitment is required to achieve this.

New tenants have been found for Clarendon Units 2 and 3. Area 51 is planning to use Clarendon Unit 1 to house some of its own activities. This will require some construction work to make the space suitable. The space can then be used to house (some of) the activities that are currently in Parma House, which we expect to exit before the end of FY2024-5.

Two new Governors have been recruited.

The financial position of the provision remains challenging and has the Trustees' attention. However, the Trustees' view is that addressing the shortfall in management capacity is an essential prerequisite to being able to improve the finances of the provision.

**Future Developments and Strategies**

The Trustees have identified three main challenges that need to be addressed in the coming two years:

1. Delivery capability - this includes:
  - a. Strengthening the management of the provision (a new structure has been agreed and is in the process of being filled);
  - b. Completing the Performance Improvement Action Plan that was drawn up after the 2022 OFSTED inspection;
  - c. Resolving issues with staffing; this includes differentiating Area 51 as an employer by stressing development possibilities.
2. Accommodation: an adequate replacement needs to be found for Parma House, which the provision is expected to surrender before the end of FY2024-5. Clarendon 1 is expected to play a role here.
3. Financial position: several routes to improvement will be addressed once the new management structure has been filled.

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2024**

---

**Financial Review**

The Statement of Financial Activities for the year is set out on page 8 of the accounts.

Owing to its status as an Independent Specialist Provider, the Charity received grants from the Education Funding Agency and Local Authorities. During the year income amounted to £2,025,045 (2023: £1,968,062).

Staff costs are the Charity's core costs in meeting its objectives; these have decreased from £1,443,809 in the prior year to £1,337,436.

The result for the year is a deficit of £49,685 (2023: £145,977).

**Statement of Trustees' Responsibilities**

Company law requires the Trustees to prepare accounts for each financial period which, give a true and fair view of the state of affairs of the Company and of the surplus for that period. In preparing those accounts the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- 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 accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure the accounts have been properly prepared in accordance with the provisions of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees' are aware, there is no other relevant audit information of which the Company's Auditors are unaware and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

**Legal and Administrative Information**

Area 51 Education Ltd, also known as The John Dewey Specialist College is limited by guarantee and has no share capital.

Under the provisions of the Company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of the debts of the Company in the event of a deficiency of assets on a winding up of the Company.

The Company is a registered charity under the Charities Act 2011 as amended by Charities Act 2022 with registration number 1139447. The Company Number is 06724508.

**Reserves Policy**

The Trustees have established a policy to maintain reserves at a level sufficient to secure funding for suitable, long term premises when these can be found.

As at 31 July 2024 unrestricted reserves amounted to £428,460 (2023: £496,003) and restricted reserves amounted to £81,760 (2023: £63,902).

**AREA 51 EDUCATION LTD**

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2024**

---

**Trustees and Directors**

The Trustees/Directors who served during the year, were as follows:

Dr M Griffiths (Resigned 1 November 2024)  
Mr D Stansell  
Mr N Fryars  
Ms T Sanford (Resigned 1 October 2023)  
Ms M Vadher (Resigned 28 November 2023)

**Auditors**

The Auditors, Dickinsons Chartered Accountants have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

**Exemption Statement**

The accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board:

  
Mr D Stansell  
Trustee

20 February 2025  
Date

# **AREA 51 EDUCATION LTD**

## **Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2024**

---

### **Opinion**

We have audited the financial statements of Area 51 Education Ltd for the year ended 31 July 2024 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes 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 company's affairs as at 31 July 2024 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 3 to the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

## **AREA 51 EDUCATION LTD**

### **Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2024**

---

#### **Matters on which we are required to report by exception**

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

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

- adequate and proper 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' 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 3, the trustees (who are also the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under s144 of Charities Act 2011, as amended by Charities Act 2022, and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to include the Companies Act 2006, and relevant tax legislation.

We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. We examined discussed with management any known or suspected instances of fraud or non-compliance with laws and regulations.

## AREA 51 EDUCATION LTD

### Independent Auditors' Report to the Trustees

for the year ended 31 July 2024

---

We assessed the risks of material misstatement in respect of fraud as follows:

- The audit team questioned whether there were any areas that were susceptible to misstatement as part of their fraud discussion.
- In addressing the risk of management override of controls, we tested the appropriateness of journal entries with a focus on large or unusual transactions based on criteria determined using our knowledge of the business and industry. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements.
- We incorporated an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud, including designing audit procedures to address, for example:

- The possibility of fraudulent or corrupt payments made through third parties.
- The risk of bribery and corruption.
- The opportunity to segregate duties within the entity.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

- Using our general commercial and sector experience and through discussions with management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either because of fraud or error.
- The engagement partner considers the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

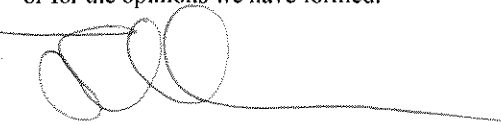
We considered the extent to which the audit was considered capable of detecting irregularities:

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

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

#### Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to the, 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 company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
**James Birch (Senior Statutory Auditor)**  
**for and on behalf of Dickinsons, Statutory Auditor**

Brandon House  
First Floor  
90 The Broadway  
Chesham  
Buckinghamshire  
HP5 1EG

20 FEBRUARY 2025  
Date

## AREA 51 EDUCATION LTD

### Statement of Financial Activities

for the year ended 31 July 2024

|                                    | Notes     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2024<br>Total Funds<br>£ | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2023<br>Total Funds<br>£ |
|------------------------------------|-----------|----------------------------|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|
| <b>Incoming Resources</b>          |           |                            |                          |                          |                            |                          |                          |
| Charitable activities              | 5         | 2,025,045                  | -                        | 2,025,045                | 1,968,062                  | -                        | 1,968,062                |
| Donations                          | 6         | 2,486                      | -                        | 2,486                    | 46                         | -                        | 46                       |
| Investment income                  | 7         | 6,629                      | -                        | 6,629                    | 3,924                      | -                        | 3,924                    |
| Other income                       | 8         | 48,706                     | 32,564                   | 81,270                   | 73,306                     | 55,011                   | 128,317                  |
| <b>Total Incoming Resources</b>    |           | <u>2,082,866</u>           | <u>32,564</u>            | <u>2,115,430</u>         | <u>2,045,338</u>           | <u>55,011</u>            | <u>2,100,349</u>         |
| <b>Resources Expended</b>          |           |                            |                          |                          |                            |                          |                          |
| Costs of charitable activities     | 9         | 2,136,476                  | 14,706                   | 2,151,182                | 2,214,262                  | 18,537                   | 2,232,799                |
| Other resources expended           | 10        | 13,933                     | -                        | 13,933                   | 13,527                     | -                        | 13,527                   |
| <b>Total Resources Expended</b>    |           | <u>2,150,409</u>           | <u>14,706</u>            | <u>2,165,115</u>         | <u>2,227,789</u>           | <u>18,537</u>            | <u>2,246,326</u>         |
| <b>Transfers Between Funds</b>     |           | -                          | -                        | -                        | 38,812                     | (38,812)                 | -                        |
| <b>Deficit in Funds</b>            |           | <u>(67,543)</u>            | <u>17,858</u>            | <u>(49,685)</u>          | <u>(143,639)</u>           | <u>(2,338)</u>           | <u>(145,977)</u>         |
| <b>Reconciliation of Funds</b>     |           |                            |                          |                          |                            |                          |                          |
| Total Funds at 1 August 2023       |           | 496,003                    | 63,902                   | 559,905                  | 639,642                    | 66,240                   | 705,882                  |
| Net Movement in Funds              |           | (67,543)                   | 17,858                   | (49,685)                 | (143,639)                  | (2,338)                  | (145,977)                |
| <b>Total Funds at 31 July 2024</b> | <b>18</b> | <u>428,460</u>             | <u>81,760</u>            | <u>510,220</u>           | <u>496,003</u>             | <u>63,902</u>            | <u>559,905</u>           |

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

All income and expenditure is derived from continuing activities.

*The notes on pages 11 to 17 form part of these accounts*

# AREA 51 EDUCATION LTD

## Balance Sheet

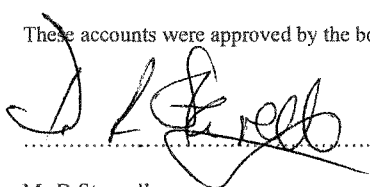
Charity Number: 1139447

as at 31 July 2024

|                                                       | Notes | £              | As at<br>31 July<br>2024<br>£ | £              | As at<br>31 July<br>2023<br>£ | £              |
|-------------------------------------------------------|-------|----------------|-------------------------------|----------------|-------------------------------|----------------|
| <b>Fixed assets</b>                                   |       |                |                               |                |                               |                |
| Tangible fixed assets                                 | 13    |                |                               | 20,180         |                               | 26,076         |
| <b>Current assets</b>                                 |       |                |                               |                |                               |                |
| Debtors                                               | 15    | 273,368        |                               |                | 264,765                       |                |
| Cash at bank and in hand                              |       | 589,427        |                               |                | 538,264                       |                |
|                                                       |       | <u>862,795</u> |                               |                | <u>803,029</u>                |                |
| <b>Creditors: amounts falling due within one year</b> | 16    | (372,755)      |                               |                | (269,200)                     |                |
| <b>Net current assets</b>                             |       |                |                               | 490,040        |                               | 533,829        |
| <b>Total assets less current liabilities</b>          |       |                |                               | <u>510,220</u> |                               | <u>559,905</u> |
| <b>Funds of the charity</b>                           |       |                |                               |                |                               |                |
| Restricted income funds                               | 18    | 81,760         |                               |                | 63,902                        |                |
| Unrestricted income funds                             | 18    | 428,460        |                               |                | 496,003                       |                |
| <b>Total funds</b>                                    |       |                |                               | <u>510,220</u> |                               | <u>559,905</u> |

These accounts were approved by the board on .....

20 February 2025



Mr D Stansell  
Trustee

The notes on pages 11 to 17 form part of these accounts.

# AREA 51 EDUCATION LTD

## Statement of Cash Flows

for the year ended 31 July 2024

|                                                   | Notes | 2024           | 2023            |
|---------------------------------------------------|-------|----------------|-----------------|
|                                                   |       | £              | £               |
| <b>Cash flows from operating activities</b>       |       |                |                 |
| Cash absorbed by operations                       | 22    | <u>46,252</u>  | <u>(92,219)</u> |
| <b>Net cash outflow from operating activities</b> |       | 46,252         | (92,219)        |
| <b>Investing activities</b>                       |       |                |                 |
| Purchase of tangible fixed assets                 |       | (1,718)        | (8,679)         |
| Interest received                                 |       | <u>6,629</u>   | <u>3,924</u>    |
| <b>Net cash used in investing activities</b>      |       | <u>6,608</u>   | <u>(4,755)</u>  |
| <b>Net increase in cash and cash equivalents</b>  |       | 51,163         | (96,974)        |
| Cash and cash equivalents at beginning of year    |       | 538,264        | 635,238         |
| <b>Cash and cash equivalents at end of year</b>   | 23    | <u>589,427</u> | <u>538,264</u>  |

*The notes on pages 11 to 17 form part of these accounts.*

**1 Principal Accounting Policies**

***Accounting Convention***

The accounts have been prepared under the historical cost convention, the Statement of Recommended Practice accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Act 2011 as amended by Charities Act 2022. The accounts include the results of the charity's operations which are described in the Trustees' Annual Report.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The trustees consider that the charity exists for the purpose of the local public benefit as defined in section 4 of the Charities Act 2011 as amended by Charities Act 2022.

***Going Concern***

The Trustees have adopted the going concern basis of accounting in preparing the financial statements. The Trustees are satisfied the charity has sufficient reserves and access to the financial support necessary to meet working capital requirements and enable the company to remain in operational existence for the foreseeable future.

***Incoming Resources***

Total incoming resources as shown in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

***Resources Expended***

Expenditure is accounted for on an accruals basis, recognised when a liability is incurred, and classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

***Basic Financial Assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic Financial Liabilities***

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

***Depreciation***

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

|                        |                                    |
|------------------------|------------------------------------|
| Leasehold improvements | -straight line over the lease term |
| Plant and machinery    | -25% on written down value         |
| Fixtures and fittings  | -25% on written down value         |

***Impairment of Fixed Assets***

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Principal Accounting Policies (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed, if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

***Leases***

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

***Government Grants***

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

***Fund Accounting - Unrestricted Funds***

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

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

***Fund Accounting - Restricted Funds***

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is allocated to the fund.

***Retirement Benefits***

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

***Employee Benefits***

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**2 Judgements and Key Sources of Estimation Uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## AREA 51 EDUCATION LTD

### Notes forming part of the Accounts

for the year ended 31 July 2024

#### 3 Ethical Standard - Provisions Available for Small Entities

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the accounts.

#### 4 Turnover

The turnover and operating surplus for the year was derived from the company's principal activity and arises solely in the United Kingdom.

#### 5 Incoming Resources from Charitable Activities

|                          | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|--------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Full time courses        | 856,369                    | -                        | 856,369            | 801,718            |
| Education funding agency | 1,168,676                  | -                        | 1,168,676          | 1,166,344          |
|                          | <u>2,025,045</u>           | <u>-</u>                 | <u>2,025,045</u>   | <u>1,968,062</u>   |

#### 6 Incoming Resources from Donations

|           | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Donations | <u>2,486</u>               | <u>-</u>                 | <u>2,486</u>       | <u>46</u>          |

#### 7 Investment Income

|                        | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest received | <u>6,629</u>               | <u>-</u>                 | <u>6,629</u>       | <u>3,924</u>       |

#### 8 Other Income

|                       | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|-----------------------|----------------------------|--------------------------|--------------------|--------------------|
| Other grants received | -                          | 32,564                   | 32,564             | 55,011             |
| Rent receivable       | 45,004                     | -                        | 45,004             | 72,051             |
| Student café and shop | 3,702                      | -                        | 3,702              | 1,255              |
|                       | <u>48,706</u>              | <u>32,564</u>            | <u>81,270</u>      | <u>128,317</u>     |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2024

| 9  | Costs of Charitable Activities        | Unrestricted     | Restricted    | Total            | Total            |
|----|---------------------------------------|------------------|---------------|------------------|------------------|
|    |                                       | Funds            | Funds         | 2024             | 2023             |
|    |                                       | £                | £             | £                | £                |
|    | Equipment and general purchases       | 34,913           | -             | 34,913           | 43,948           |
|    | Learner transport and facilities hire | 144,516          | -             | 144,516          | 111,427          |
|    | Staff costs including employer's NI   | 1,337,436        | -             | 1,337,436        | 1,433,809        |
|    | Subcontract labour                    | 157,212          | -             | 157,212          | 165,920          |
|    | Staff training                        | 13,929           | -             | 13,929           | 26,875           |
|    | Clothing costs                        | 331              | -             | 331              | 2,664            |
|    | Rent and service charges              | 223,627          | -             | 223,627          | 244,748          |
|    | Rates                                 | 27,745           | -             | 27,745           | 11,793           |
|    | Insurance                             | 21,268           | -             | 21,268           | 21,288           |
|    | Light and heat                        | 21,712           | -             | 21,712           | 21,105           |
|    | Cleaning                              | 17,892           | -             | 17,892           | 19,372           |
|    | Repairs and maintenance               | 16,693           | 14,706        | 31,399           | 26,440           |
|    | Staff recruitment                     | 23,754           | -             | 23,754           | 15,569           |
|    | Printing, postage and stationery      | 8,159            | -             | 8,159            | 11,193           |
|    | Advertising                           | 95               | -             | 95               | 77               |
|    | Telephone charges                     | 7,515            | -             | 7,515            | 8,332            |
|    | Computer running costs                | -                | -             | -                | 2,096            |
|    | Hire of equipment                     | 5,718            | -             | 5,718            | 5,367            |
|    | Motor vehicle leasing                 | 15,208           | -             | 15,208           | 15,246           |
|    | Motor running costs                   | 5,580            | -             | 5,580            | 7,374            |
|    | Travelling expenses                   | 1,283            | -             | 1,283            | 3,367            |
|    | Entertaining                          | -                | -             | -                | 570              |
|    | Legal and professional fees           | 28,729           | -             | 28,729           | 15,480           |
|    | Bad and doubtful debts                | 3,497            | -             | 3,497            | 325              |
|    | Sundry expenses                       | 323              | -             | 323              | 20               |
|    | Subscriptions                         | 11,715           | -             | 11,715           | 11,342           |
|    | Charitable donations                  | 11               | -             | 11               | -                |
|    | Loss on disposal of assets            | 1,697            | -             | 1,697            | -                |
|    | Depreciation of plant and machinery   | 2,489            | -             | 2,489            | 3,202            |
|    | Depreciation of fixtures and fittings | 3,429            | -             | 3,429            | 3,850            |
|    |                                       | <u>2,136,476</u> | <u>14,706</u> | <u>2,151,182</u> | <u>2,232,799</u> |
|    |                                       | =====            | =====         | =====            | =====            |
| 10 | Other Resources Expended              | Unrestricted     | Restricted    | Total            | Total            |
|    |                                       | Funds            | Funds         | 2024             | 2023             |
|    |                                       | £                | £             | £                | £                |
|    | Bank charges                          | 1,868            | -             | 1,868            | 1,554            |
|    | Accountancy charges                   | 6,065            | -             | 6,065            | 7,173            |
|    | Audit fee                             | 6,000            | -             | 6,000            | 4,800            |
|    |                                       | <u>13,933</u>    | <u>-</u>      | <u>13,933</u>    | <u>13,527</u>    |
|    |                                       | =====            | =====         | =====            | =====            |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2024

### 11 Staff Costs and Pensions

|                              | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2024<br>£ | Total<br>2023<br>£ |
|------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Wages and salaries           | 1,216,815                  | -                        | 1,216,815          | 1,299,660          |
| Employers N.I. contributions | 97,666                     | -                        | 97,666             | 108,722            |
| Staff pension contributions  | 22,955                     | -                        | 22,955             | 25,427             |
|                              | <u>1,337,436</u>           | <u>-</u>                 | <u>1,337,436</u>   | <u>1,433,809</u>   |

The earnings of 1 member of staff, including benefits in kind, are within the range of £60,000 to £69,999 (2023: NIL). The average number of employees was 59 (2023: 63).

No employees participated in the Teachers' Pension Scheme.

### 12 Tax on Deficit

The company is a registered charity and is not liable to corporation tax.

### 13 Tangible Fixed Assets

|                       | Leasehold<br>Improvements<br>£ | Plant and<br>Machinery<br>£ | Fixtures<br>and fittings<br>£ | Total<br>£     |
|-----------------------|--------------------------------|-----------------------------|-------------------------------|----------------|
| <b>Cost</b>           |                                |                             |                               |                |
| At 1 August 2023      | 122,894                        | 38,487                      | 67,917                        | 229,298        |
| Disposals in the year | -                              | 11,579                      | 3,314                         | 14,893         |
| Additions in the year | -                              | 158                         | 1,560                         | 1,718          |
| At 31 July 2024       | <u>122,894</u>                 | <u>27,066</u>               | <u>66,163</u>                 | <u>216,123</u> |
| <b>Depreciation</b>   |                                |                             |                               |                |
| At 1 August 2023      | 122,894                        | 25,251                      | 55,077                        | 203,222        |
| Disposals in the year | -                              | 9,944                       | 3,253                         | 13,197         |
| Charge for the year   | -                              | 2,489                       | 3,429                         | 5,918          |
| At 31 July 2024       | <u>122,894</u>                 | <u>17,796</u>               | <u>55,253</u>                 | <u>195,943</u> |
| <b>Net book value</b> |                                |                             |                               |                |
| At 31 July 2024       | <u>-</u>                       | <u>9,270</u>                | <u>10,910</u>                 | <u>20,180</u>  |
| At 31 July 2023       | <u>-</u>                       | <u>13,236</u>               | <u>12,840</u>                 | <u>26,076</u>  |

## AREA 51 EDUCATION LTD

### Notes forming part of the Accounts

for the year ended 31 July 2024

#### 15 Debtors

|                | 2024<br>£      | 2023<br>£      |
|----------------|----------------|----------------|
| Trade debtors  | 89,412         | 111,369        |
| Other debtors  | 48,025         | 39,214         |
| Prepayments    | 100,110        | 87,213         |
| Accrued income | 35,821         | 26,969         |
|                | <u>273,368</u> | <u>264,765</u> |

Other debtors totalling £32,073 (2023: £32,073) are recoverable after more than one year.

#### 16 Creditors: Amounts Falling Due Within One Year

|                              | 2024<br>£      | 2023<br>£      |
|------------------------------|----------------|----------------|
| Trade creditors              | 91,428         | 103,482        |
| Taxation and social security | 22,381         | 21,387         |
| Accruals                     | 35,455         | 47,773         |
| Other creditors              | 223,491        | 96,558         |
|                              | <u>372,755</u> | <u>269,200</u> |

#### 17 Operating Lease Commitments

Operating lease payments represent rentals payable by the company for the lease of equipment and property.

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

##### Property

|                       | 2024<br>£      | 2023<br>£      |
|-----------------------|----------------|----------------|
| In less than one year | 107,867        | 106,131        |
| In two to five years  | 285,660        | 322,112        |
| In over five years    | 41,659         | 113,074        |
|                       | <u>435,186</u> | <u>541,317</u> |

##### Vehicles

|                       | 2024<br>£     | 2023<br>£     |
|-----------------------|---------------|---------------|
| In less than one year | 15,208        | 15,208        |
| In two to five years  | 732           | 15,939        |
|                       | <u>15,940</u> | <u>31,147</u> |

##### Lessor

At the reporting end date, the company had contracted with tenants for the following minimum lease payments:

##### Property

|                       | 2024<br>£      | 2023<br>£      |
|-----------------------|----------------|----------------|
| In less than one year | 51,600         | 75,184         |
| In two to five years  | 86,000         | 231,817        |
|                       | <u>137,600</u> | <u>306,999</u> |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2024

### 18 Reserves

|                    | Balance at<br>1 August<br>2023<br>£ | Movement in<br>the year<br>£ | Balance at<br>31 July<br>2024<br>£ |
|--------------------|-------------------------------------|------------------------------|------------------------------------|
| Unrestricted funds | 496,003                             | (67,543)                     | 428,460                            |
| Restricted funds   | 63,902                              | 17,858                       | 81,760                             |
|                    | <u>559,905</u>                      | <u>(49,685)</u>              | <u>510,220</u>                     |

### 19 Called Up Share Capital

The company is limited by guarantee and has no share capital. Under the provisions of the company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of debts of the company in the event of a deficiency of assets on winding up of the company.

### 20 Control

The charity has been controlled throughout the year by the trustees.

### 21 Related Party Transactions

During the year there were no related party transactions.

### 22 Cash Generated from Operations

|                                                      | 2024<br>£     | 2023<br>£       |
|------------------------------------------------------|---------------|-----------------|
| Deficit for the year                                 | (49,685)      | (145,977)       |
| <b>Adjustments for:</b>                              |               |                 |
| Investment income                                    | (6,629)       | (3,924)         |
| Depreciation and impairment of tangible fixed assets | 5,917         | 7,052           |
| Loss on disposal of tangible fixed assets            | 1,697         | -               |
| <b>Movements in working capital:</b>                 |               |                 |
| Decrease/(Increase) in debtors                       | (8,603)       | 56,065          |
| Increase/(Decrease) in creditors                     | 103,555       | (5,435)         |
| <b>Cash generated from operations</b>                | <u>46,252</u> | <u>(92,219)</u> |

### 23 Analysis of Changes in Net Funds

|                          | Balance at<br>1 August<br>2023<br>£ | Movement in<br>the year<br>£ | Balance at<br>31 July<br>2024<br>£ |
|--------------------------|-------------------------------------|------------------------------|------------------------------------|
| Cash at bank and in hand | <u>538,264</u>                      | <u>51,163</u>                | <u>589,427</u>                     |

## AREA 51 EDUCATION LTD

### Detailed Income and Expenditure Account

for the year ended 31 July 2024

|                                                      | Year<br>Ended<br>31 July<br>2024<br>£ | Year<br>Ended<br>31 July<br>2023<br>£ |
|------------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Incoming Resources</b>                            |                                       |                                       |
| <b>Incoming resources from charitable activities</b> |                                       |                                       |
| Full time courses                                    | 856,369                               | 801,718                               |
| Education funding agency                             | 1,168,676                             | 1,166,344                             |
|                                                      | <u>2,025,045</u>                      | <u>1,968,062</u>                      |
| <b>Voluntary income</b>                              |                                       |                                       |
| Donations                                            | 2,486                                 | 46                                    |
| <b>Investment income</b>                             |                                       |                                       |
| Bank interest received                               | 6,629                                 | 3,924                                 |
| <b>Other income</b>                                  |                                       |                                       |
| Other grants received                                | 32,564                                | 55,011                                |
| Rent receivable                                      | 45,004                                | 72,051                                |
| Student café and shop                                | 3,702                                 | 1,255                                 |
| <b>Total Incoming Resources</b>                      | <u>2,115,430</u>                      | <u>2,100,349</u>                      |
| <b>Resources Expended</b>                            |                                       |                                       |
| Charitable activities (Page 19)                      | 2,151,182                             | 2,232,799                             |
| Other resources expended (Page 19)                   | 13,933                                | 13,527                                |
| <b>Total Resources Expended</b>                      | <u>2,165,115</u>                      | <u>2,246,326</u>                      |
| <b>Deficit for the year</b>                          | <u>(49,685)</u>                       | <u>(145,977)</u>                      |

*This page does not form part of the statutory accounts*

**AREA 51 EDUCATION LTD****Detailed Income and Expenditure Account****for the year ended 31 July 2024**

|                                       | <b>Year<br/>Ended<br/>31 July<br/>2024<br/>£</b> | <b>Year<br/>Ended<br/>31 July<br/>2023<br/>£</b> |
|---------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>Charitable activities</b>          |                                                  |                                                  |
| Equipment and general purchases       | 34,913                                           | 43,948                                           |
| Learner transport and facilities hire | 144,516                                          | 111,427                                          |
| Staff costs including employer's NI   | 1,337,436                                        | 1,433,809                                        |
| Subcontract labour                    | 157,212                                          | 165,920                                          |
| Staff training                        | 13,929                                           | 26,875                                           |
| Clothing costs                        | 331                                              | 2,664                                            |
| Rent and service charges              | 223,627                                          | 244,748                                          |
| Rates                                 | 27,745                                           | 11,793                                           |
| Insurance                             | 21,268                                           | 21,288                                           |
| Light and heat                        | 21,712                                           | 21,105                                           |
| Cleaning                              | 17,892                                           | 19,372                                           |
| Repairs and maintenance               | 31,399                                           | 26,440                                           |
| Staff recruitment                     | 23,754                                           | 15,569                                           |
| Printing, postage and stationery      | 8,159                                            | 11,193                                           |
| Advertising                           | 95                                               | 77                                               |
| Telephone charges                     | 7,515                                            | 8,332                                            |
| Computer running costs                | -                                                | 2,096                                            |
| Hire of equipment                     | 5,718                                            | 5,367                                            |
| Motor vehicle leasing                 | 15,208                                           | 15,246                                           |
| Motor running costs                   | 5,580                                            | 7,374                                            |
| Travelling expenses                   | 1,283                                            | 3,367                                            |
| Entertaining                          | -                                                | 570                                              |
| Legal and professional fees           | 28,729                                           | 15,480                                           |
| Bad and doubtful debts                | 3,497                                            | 325                                              |
| Sundry expenses                       | 323                                              | 20                                               |
| Subscriptions                         | 11,715                                           | 11,342                                           |
| Charitable donations                  | 11                                               | -                                                |
| Loss on disposal of assets            | 1,697                                            | -                                                |
| Depreciation of plant and machinery   | 2,489                                            | 3,202                                            |
| Depreciation of fixtures and fittings | 3,429                                            | 3,850                                            |
|                                       | <u>2,151,182</u>                                 | <u>2,232,799</u>                                 |
| <b>Other resources expended</b>       |                                                  |                                                  |
| Bank charges                          | 1,868                                            | 1,554                                            |
| Accountancy charges                   | 6,065                                            | 7,173                                            |
| Audit fee                             | 6,000                                            | 4,800                                            |
|                                       | <u>13,933</u>                                    | <u>13,527</u>                                    |

*This page does not form part of the statutory accounts*

---

# Accounts

---

**Company Number: 06724508**

**Charity Number: 1139447**

---

**AREA 51 EDUCATION LTD**

**Report and Accounts**

**for the year ended 31 July 2023**

---

# AREA 51 EDUCATION LTD

## Report and Accounts

for the year ended 31 July 2023

### INDEX

---

#### Page Number

1 to 4 Trustees' (Directors') Annual Report

5 to 7 Independent Auditors' Report

8 Statement of Financial Activities

9 Balance Sheet

10 Statement of Cash Flows

11 to 17 Notes forming part of the Accounts

#### **The following pages do not form part of the statutory accounts:**

18 and 19 Detailed Income and Expenditure Account

# **AREA 51 EDUCATION LTD**

## **Company Information**

**Company Number: 06724508**

**Charities Number: 1139447**

---

### **Registered Office**

1 Mallard Place  
Coburg Road  
London  
N22 6TS

### **Trustees**

Dr M Griffiths – Chairman and Secretary  
Mr D Stansell – Treasurer

### **Directors**

Dr M Griffiths  
Mr D Stansell  
Mr N Fryars

### **Senior Staff**

Miss N Quarterman

### **Auditors**

Dickinsons Chartered Accountants  
Brandon House  
First Floor  
90 The Broadway  
Chesham  
Buckinghamshire  
HP5 1EG

### **Bankers**

National Westminster Bank Plc  
PO Box 4115  
Essex  
RM12 4DF

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2023**

---

**Trustees' Annual Report**

The Trustees submit their report together with the audited accounts for the year ended 31 July 2023.

The accounts have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 as amended by Charities Act 2022, the memorandum and Articles of Association and 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). This report is also a directors' report as required by the Companies Act 2006, as all trustees are directors.

**Structure, Governance and Management**

The Charity is constituted as a company, limited by guarantee, it does not have any share capital and it is governed by its Memorandum and Articles of Association.

The management of the Charity is the responsibility of the Trustees who are also appointed directors of the company. New trustees are appointed on the recommendation of existing trustees being deemed to have appropriate experience and knowledge for the role.

There are no formal procedures for inducting new trustees, however, any new trustee appointed would be practically aware of the work undertaken by the Charity and support is always provided by the founding trustees.

Details of related party transactions, where applicable, can be found in the notes to the accounts.

The day to day running of the Charity is undertaken by a senior staff member, Miss N Quarterman. Trustees meet on a regular basis to discuss performance and set targets for longer term goals.

**Objectives and Activities**

Area 51 Education Ltd is a charitable organisation whose aims are:

1. To advance the education of people with learning difficulties and disabilities in the development of functional skills for life and work.
2. The elimination of discrimination on the basis of learning and/or physical disability.
3. The promotion of social inclusion among people with learning and/or physical disabilities and their families who are socially excluded from society or part of society as a result of their disabilities by:
  - i) Raising public awareness of the issues affecting people with learning and/or physical disabilities and their families, and;
  - ii) Providing a positive model for continuing education for people with learning and/or physical disabilities after compulsory school-leaving age.
4. To advance in life and help young people with learning and/or physical disabilities through providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.
5. To act as a resource for people with learning and/or physical disabilities living in the area of London by providing advice and assistance and organising programmes of physical, education and other activities by advancing education and relieving unemployment.
6. Providing recreational and leisure time activity in the interests of social welfare for people living within the area of benefit who have need by reason of their age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.
7. To promote the social and economic inclusion, for the public benefit, of people with learning and/or physical disabilities who are excluded as a result of their disability by providing opportunities for the development of employment in social enterprise companies.

## **AREA 51 EDUCATION LTD**

### **Trustees' (Directors') Annual Report**

#### **for the year ended 31 July 2023**

---

In shaping our objectives and planning our activities, the Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and have complied with section 4 of the Charities Act 2011 as amended by Charities Act 2022.

The Trustees consider that the charity exists for the purpose of the local public benefit within the North London Boroughs of Haringey, Hackney, Tower Hamlets, Enfield, Barnet, Waltham Forest, Islington and Camden.

The Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

#### **Risk Assessment**

In order to comply with the Statement of Recommended Practice for Charity Accounts (FRS 102) a review of the major risks to which the charity is exposed and the systems that have to be established to mitigate those risks has been carried out. The Trustees receive regular reports and these are monitored on an ongoing basis at Board Level.

#### **Achievements and Performance**

An Ofsted inspection took place on 21-23 September 2022. The outcome of this inspection was an overall rating of 'Requires improvement'; this rating was also given for four aspects:

- The quality of education
- Personal development
- Leadership and management
- Provision for learners with high needs

While the aspect 'behaviour and attitudes' was rated Good, the inspectors noted that performance on some of the four aspects had not yet recovered after the COVID-19 pandemic.

At the request of the Governors, a Performance Improvement plan was drawn up in January 2023. Execution against this plan is reported at each Governors' meeting. Progress has been slower than intended due to ongoing staffing shortages.

Ofsted made a monitoring visit to the provision on 22-23 November 2023 at which sufficient progress was noted on two of the above aspects, but insufficient progress had been made on the quality of education.

The finances of the provision also gave cause for concern, as rising costs outstripped the available education funding and fees for adult social care. This imbalance has now largely been corrected, and cost recovery is now once again better in line with costs. Of particular note, was the agreement with Haringey Council that they would cover the costs of transport for many of the Adult Social Care attendees.

No progress of note has been made on finding new accommodation for the provision. For the moment, a new tenant needs to be found for 1-3 Clarendon Place if this property is not to be a drag on the finances of the provision.

#### **Future Developments and Strategies**

The highest priority for Trustees and Governors remains regaining an Ofsted rating of Good at the next inspection. An important enabler for this ambition is to ensure that there is adequate teaching capacity. In the upcoming financial year we will be working hard with the management team on continuing to drive our performance improvement plan.

Two other matters require ongoing attention in the current year:

1. Reinforcing the Board of Governors with additional external talent; the Board has lost two key members, both also directors/trustees in the last year, and the Chairman is due to retire after this year.
2. Resolving the ongoing challenges around the accommodation of the provision.

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2023**

---

**Financial Review**

The Statement of Financial Activities for the year is set out on page 8 of the accounts.

Owing to its status as an Independent Specialist Provider, the Charity received grants from the Education Funding Agency and Local Authorities. During the year income amounted to £1,968,062 (2022: £1,982,308).

Staff costs are the Charity's core costs in meeting its objectives; these have increased from £1,328,612 in the prior year to £1,433,809.

The result for the year is a deficit of £145,977 (2022: £39,786).

**Statement of Trustees' Responsibilities**

Company law requires the Trustees to prepare accounts for each financial period which, give a true and fair view of the state of affairs of the Company and of the surplus for that period. In preparing those accounts the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- 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 accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure the accounts have been properly prepared in accordance with the provisions of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees' are aware, there is no other relevant audit information of which the Company's Auditors are unaware and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

**Legal and Administrative Information**

Area 51 Education Ltd, also known as The John Dewey Specialist College is limited by guarantee and has no share capital.

Under the provisions of the Company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of the debts of the Company in the event of a deficiency of assets on a winding up of the Company.

The Company is a registered charity under the Charities Act 2011 as amended by Charities Act 2022 with registration number 1139447. The Company Number is 06724508.

**Reserves Policy**

The Trustees have established a policy to maintain reserves at a level sufficient to secure funding for suitable, long term premises when these can be found.

As at 31 July 2023 unrestricted reserves amounted to £496,003 (2022: £639,642) and restricted reserves amounted to £63,902 (2022: £66,240).

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2023**

---

**Trustees and Directors**

The Trustees, who are also directors, and, who served during the year, were as follows:

Dr M Griffiths

Mr D Stansell

The directors, who are not trustees and, who served during the year, were as follows:

Ms T Sanford (Resigned 1 October 2023)

Mr N Fryars

Ms M Vadher (Resigned 28 November 2023)

**Auditors**

The Auditors, Dickinsons Chartered Accountants have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

**Exemption Statement**

The accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board:

  
.....  
Dr M Griffiths  
Trustee and Director

..... 22/2/2024  
Date

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2023**

---

**Opinion**

We have audited the financial statements of Area 51 Education Ltd for the year ended 31 July 2023 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes 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 company's affairs as at 31 July 2023 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 3 to the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2023**

---

**Matters on which we are required to report by exception**

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

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

- adequate and proper 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' 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 3, the trustees (who are also the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under s144 of Charities Act 2011, as amended by Charities Act 2022, and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to include the Companies Act 2006, and relevant tax legislation.

We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. We examined discussed with management any known or suspected instances of fraud or non-compliance with laws and regulations.

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2023**

---

We assessed the risks of material misstatement in respect of fraud as follows:

- The audit team questioned whether there were any areas that were susceptible to misstatement as part of their fraud discussion.
- In addressing the risk of management override of controls, we tested the appropriateness of journal entries with a focus on large or unusual transactions based on criteria determined using our knowledge of the business and industry. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements.
- We incorporated an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud, including designing audit procedures to address, for example:

- The possibility of fraudulent or corrupt payments made through third parties.
- The risk of bribery and corruption.
- The opportunity to segregate duties within the entity.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

- Using our general commercial and sector experience and through discussions with management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either because of fraud or error.
- The engagement partner considers the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We considered the extent to which the audit was considered capable of detecting irregularities:

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

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

**Use of our report**

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to the, 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 company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Dominic Cader (Senior Statutory Auditor)**  
for and on behalf of Dickinsons, Statutory Auditor

Brandon House  
First Floor  
90 The Broadway  
Chesham  
Buckinghamshire  
HP5 1EG

26/2/2024  
.....  
Date

# AREA 51 EDUCATION LTD

## Statement of Financial Activities

for the year ended 31 July 2023

|                                    | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2023<br>Total Funds<br>£ | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2022<br>Total Funds<br>£ |
|------------------------------------|-------|----------------------------|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|
| <b>Incoming Resources</b>          |       |                            |                          |                          |                            |                          |                          |
| Charitable activities              | 5     | 1,968,062                  | -                        | 1,968,062                | 1,982,308                  | -                        | 1,982,308                |
| Donations                          | 6     | 46                         | -                        | 46                       | 170                        | -                        | 170                      |
| Investment income                  | 7     | 3,924                      | -                        | 3,924                    | 184                        | -                        | 184                      |
| Other income                       | 8     | 73,306                     | 55,011                   | 128,317                  | 80,070                     | 38,812                   | 118,882                  |
| <b>Total Incoming Resources</b>    |       | <u>2,045,338</u>           | <u>55,011</u>            | <u>2,100,349</u>         | <u>2,062,732</u>           | <u>38,812</u>            | <u>2,101,544</u>         |
| <b>Resources Expended</b>          |       |                            |                          |                          |                            |                          |                          |
| Costs of charitable activities     | 9     | 2,214,262                  | 18,537                   | 2,232,799                | 2,095,234                  | 31,948                   | 2,127,182                |
| Other resources expended           | 10    | 13,527                     | -                        | 13,527                   | 14,148                     | -                        | 14,148                   |
| <b>Total Resources Expended</b>    |       | <u>2,227,789</u>           | <u>18,537</u>            | <u>2,246,326</u>         | <u>2,109,382</u>           | <u>31,948</u>            | <u>2,141,330</u>         |
| <b>Transfers Between Funds</b>     | 18    | 38,812                     | (38,812)                 | -                        | 27,587                     | (27,587)                 | -                        |
| <b>Deficit in Funds</b>            |       | <u>(143,639)</u>           | <u>(2,338)</u>           | <u>(145,977)</u>         | <u>(19,063)</u>            | <u>(20,723)</u>          | <u>(39,786)</u>          |
| <b>Reconciliation of Funds</b>     |       |                            |                          |                          |                            |                          |                          |
| Total Funds at 1 August 2022       |       | 639,642                    | 66,240                   | 705,882                  | 658,705                    | 86,963                   | 745,668                  |
| Net Movement in Funds              |       | (143,639)                  | (2,338)                  | (145,977)                | (19,063)                   | (20,723)                 | (39,786)                 |
| <b>Total Funds at 31 July 2023</b> | 19    | <u>496,003</u>             | <u>63,902</u>            | <u>559,905</u>           | <u>639,642</u>             | <u>66,240</u>            | <u>705,882</u>           |

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

All income and expenditure is derived from continuing activities.

*The notes on pages 11 to 17 form part of these accounts*

## Balance Sheet

Charity Number: 1139447

as at 31 July 2023

|                                                       | Notes | As at<br>31 July<br>2023 | As at<br>31 July<br>2022 |
|-------------------------------------------------------|-------|--------------------------|--------------------------|
|                                                       |       | £                        | £                        |
| <b>Fixed assets</b>                                   |       |                          |                          |
| Tangible fixed assets                                 | 13    | 26,076                   | 24,449                   |
| <b>Current assets</b>                                 |       |                          |                          |
| Debtors                                               | 15    | 264,765                  | 320,830                  |
| Cash at bank and in hand                              |       | 538,264                  | 635,238                  |
|                                                       |       | <u>803,029</u>           | <u>956,068</u>           |
| <b>Creditors: amounts falling due within one year</b> | 16    | (269,200)                | (274,635)                |
| <b>Net current assets</b>                             |       | <u>533,829</u>           | <u>681,433</u>           |
| <b>Total assets less current liabilities</b>          |       | <u>559,905</u>           | <u>705,882</u>           |
| <b>Funds of the charity</b>                           |       |                          |                          |
| Restricted income funds                               | 19    | 63,902                   | 66,240                   |
| Unrestricted income funds                             | 19    | 496,003                  | 639,642                  |
| <b>Total funds</b>                                    |       | <u>559,905</u>           | <u>705,882</u>           |

These accounts were approved by the board on 18/2/2024



Dr M Griffiths  
Trustee and Director

The notes on pages 11 to 17 form part of these accounts.

**AREA 51 EDUCATION LTD****Statement of Cash Flows****for the year ended 31 July 2023**

|                                                   | Notes | 2023                  | 2022                  |
|---------------------------------------------------|-------|-----------------------|-----------------------|
|                                                   |       | £                     | £                     |
| <b>Cash flows from operating activities</b>       |       |                       |                       |
| Cash absorbed by operations                       | 23    | <u>(92,219)</u>       | <u>(228,164)</u>      |
| <b>Net cash outflow from operating activities</b> |       | (92,219)              | (228,164)             |
| <b>Investing activities</b>                       |       |                       |                       |
| Purchase of tangible fixed assets                 |       | (8,679)               | (19,021)              |
| Interest received                                 |       | <u>3,924</u>          | <u>184</u>            |
| <b>Net cash used in investing activities</b>      |       | <u>(4,755)</u>        | <u>(18,837)</u>       |
| <b>Net decrease in cash and cash equivalents</b>  |       | (96,974)              | (247,001)             |
| Cash and cash equivalents at beginning of year    |       | 635,238               | 882,239               |
| <b>Cash and cash equivalents at end of year</b>   | 24    | <u><u>538,264</u></u> | <u><u>635,238</u></u> |

*The notes on pages 11 to 17 form part of these accounts.*

**1 Principal Accounting Policies**

***Accounting Convention***

The accounts have been prepared under the historical cost convention, the Statement of Recommended Practice accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Act 2011 as amended by Charities Act 2022. The accounts include the results of the charity's operations which are described in the Trustees' Annual Report.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The trustees consider that the charity exists for the purpose of the local public benefit as defined in section 4 of the Charities Act 2011 as amended by Charities Act 2022.

***Going Concern***

The Trustees have adopted the going concern basis of accounting in preparing the financial statements. The Trustees are satisfied the charity has sufficient reserves and access to the financial support necessary to meet working capital requirements and enable the company to remain in operational existence for the foreseeable future.

***Incoming Resources***

Total incoming resources as shown in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

***Resources Expended***

Expenditure is accounted for on an accruals basis, recognised when a liability is incurred, and classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

***Basic Financial Assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic Financial Liabilities***

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

***Depreciation***

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

|                        |                                    |
|------------------------|------------------------------------|
| Leasehold improvements | -straight line over the lease term |
| Plant and machinery    | -25% on written down value         |
| Fixtures and fittings  | -25% on written down value         |

***Impairment of Fixed Assets***

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Principal Accounting Policies (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed, if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**Government Grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**Fund Accounting - Unrestricted Funds**

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

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

**Fund Accounting - Restricted Funds**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is allocated to the fund.

**Retirement Benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**2 Judgements and Key Sources of Estimation Uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2023

### 3 Ethical Standard - Provisions Available for Small Entities

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the accounts.

### 4 Turnover

The turnover and operating surplus for the year was derived from the company's principal activity and arises solely in the United Kingdom.

### 5 Incoming Resources from Charitable Activities

|                          | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|--------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Full time courses        | 801,718                    | -                        | 801,718            | 674,582            |
| Education funding agency | 1,166,344                  | -                        | 1,166,344          | 1,307,726          |
|                          | <u>1,968,062</u>           | <u>-</u>                 | <u>1,968,062</u>   | <u>1,982,308</u>   |
|                          | =====                      | =====                    | =====              | =====              |

### 6 Incoming Resources from Donations

|           | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Donations | 46                         | -                        | 46                 | 170                |
|           | <u>=====</u>               | <u>=====</u>             | <u>=====</u>       | <u>=====</u>       |

### 7 Investment Income

|                        | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest received | 3,924                      | -                        | 3,924              | 184                |
|                        | <u>=====</u>               | <u>=====</u>             | <u>=====</u>       | <u>=====</u>       |

### 8 Other Income

|                       | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-----------------------|----------------------------|--------------------------|--------------------|--------------------|
| Other grants received | -                          | 55,011                   | 55,011             | 52,849             |
| Furlough income       | -                          | -                        | -                  | 1,520              |
| Rent receivable       | 72,051                     | -                        | 72,051             | 64,513             |
| Student café and shop | 1,255                      | -                        | 1,255              | -                  |
|                       | <u>73,306</u>              | <u>55,011</u>            | <u>128,317</u>     | <u>118,882</u>     |
|                       | =====                      | =====                    | =====              | =====              |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2023

### 9 Costs of Charitable Activities

|                                           | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-------------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Equipment and general purchases           | 43,948                     | -                        | 43,948             | 41,176             |
| Learner transport and facilities hire     | 111,427                    | -                        | 111,427            | 93,900             |
| Staff costs including employer's NI       | 1,433,809                  | -                        | 1,433,809          | 1,328,612          |
| Subcontract labour                        | 165,920                    | -                        | 165,920            | 202,375            |
| Staff training                            | 26,875                     | -                        | 26,875             | 11,933             |
| Clothing costs                            | 2,664                      | -                        | 2,664              | 187                |
| Rent and service charges                  | 244,748                    | -                        | 244,748            | 244,288            |
| Rates                                     | 11,793                     | -                        | 11,793             | 4,702              |
| Insurance                                 | 21,288                     | -                        | 21,288             | 18,855             |
| Light and heat                            | 21,105                     | -                        | 21,105             | 29,477             |
| Cleaning                                  | 19,372                     | -                        | 19,372             | 19,171             |
| Repairs and maintenance                   | 7,903                      | 18,537                   | 26,440             | 49,704             |
| Dilapidation costs (release of provision) | -                          | -                        | -                  | (50,000)           |
| Staff recruitment                         | 15,569                     | -                        | 15,569             | 25,783             |
| Printing, postage and stationery          | 11,193                     | -                        | 11,193             | 12,265             |
| Advertising                               | 77                         | -                        | 77                 | 390                |
| Telephone charges                         | 8,332                      | -                        | 8,332              | 7,804              |
| Computer running costs                    | 2,096                      | -                        | 2,096              | 1,775              |
| Hire of equipment                         | 5,367                      | -                        | 5,367              | 7,521              |
| Motor vehicle leasing                     | 15,246                     | -                        | 15,246             | 13,209             |
| Motor running costs                       | 7,374                      | -                        | 7,374              | 5,323              |
| Travelling expenses                       | 3,367                      | -                        | 3,367              | 4,257              |
| Entertaining                              | 570                        | -                        | 570                | 280                |
| Legal and professional fees               | 15,480                     | -                        | 15,480             | 19,492             |
| Bad and doubtful debts                    | 325                        | -                        | 325                | 20,843             |
| Sundry expenses                           | 20                         | -                        | 20                 | 325                |
| Subscriptions                             | 11,342                     | -                        | 11,342             | 6,598              |
| Depreciation of plant and machinery       | 3,202                      | -                        | 3,202              | 3,441              |
| Depreciation of fixtures and fittings     | 3,850                      | -                        | 3,850              | 3,496              |
|                                           | <u>2,214,262</u>           | <u>18,537</u>            | <u>2,232,799</u>   | <u>2,127,182</u>   |
|                                           | =====                      | =====                    | =====              | =====              |

### 10 Other Resources Expended

|                     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank charges        | 1,554                      | -                        | 1,554              | 1,455              |
| Accountancy charges | 7,173                      | -                        | 7,173              | 8,483              |
| Audit fee           | 4,800                      | -                        | 4,800              | 4,210              |
|                     | <u>13,527</u>              | <u>-</u>                 | <u>13,527</u>      | <u>14,148</u>      |
|                     | =====                      | =====                    | =====              | =====              |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

### for the year ended 31 July 2023

#### 11 Staff Costs and Pensions

|                              | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2023<br>£        | Total<br>2022<br>£        |
|------------------------------|----------------------------|--------------------------|---------------------------|---------------------------|
| Wages and salaries           | 1,299,660                  | -                        | 1,299,660                 | 1,205,430                 |
| Employers N.I. contributions | 108,722                    | -                        | 108,722                   | 100,403                   |
| Staff pension contributions  | 25,427                     | -                        | 25,427                    | 22,779                    |
|                              | <u>1,433,809</u><br>=====  | <u>-</u><br>=====        | <u>1,433,809</u><br>===== | <u>1,328,612</u><br>===== |

No employee earned £60,000 or more. The average number of employees was 63 (2022: 63).

No employees participated in the Teachers' Pension Scheme. During the year ended 31 July 2023, pension contributions to the Teachers' Pension Scheme were £Nil (2022: £Nil).

#### 12 Tax on Deficit

The company is a registered charity and is not liable to corporation tax.

#### 13 Tangible Fixed Assets

|                       | Leasehold<br>Improvements<br>£ | Plant and<br>Machinery<br>£ | Fixtures<br>and fittings<br>£ | Total<br>£              |
|-----------------------|--------------------------------|-----------------------------|-------------------------------|-------------------------|
| <b>Cost</b>           |                                |                             |                               |                         |
| At 1 August 2022      | 122,894                        | 33,563                      | 64,162                        | 220,619                 |
| Additions in the year | -                              | 4,924                       | 3,755                         | 8,679                   |
| At 31 July 2023       | <u>122,894</u><br>=====        | <u>38,487</u><br>=====      | <u>67,917</u><br>=====        | <u>229,298</u><br>===== |
| <b>Depreciation</b>   |                                |                             |                               |                         |
| At 1 August 2022      | 122,894                        | 22,049                      | 51,227                        | 196,170                 |
| Charge for the year   | -                              | 3,202                       | 3,850                         | 7,052                   |
| At 31 July 2023       | <u>122,894</u><br>=====        | <u>25,251</u><br>=====      | <u>55,077</u><br>=====        | <u>203,222</u><br>===== |
| <b>Net book value</b> |                                |                             |                               |                         |
| At 31 July 2023       | <u>-</u><br>=====              | <u>13,236</u><br>=====      | <u>12,840</u><br>=====        | <u>26,076</u><br>=====  |
| At 31 July 2022       | <u>-</u><br>=====              | <u>11,514</u><br>=====      | <u>12,935</u><br>=====        | <u>24,449</u><br>=====  |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2023

### 15 Debtors

|                | 2023<br>£      | 2022<br>£      |
|----------------|----------------|----------------|
| Trade debtors  | 111,369        | 195,923        |
| Other debtors  | 39,214         | 36,811         |
| Prepayments    | 87,213         | 73,676         |
| Accrued income | 26,969         | 14,420         |
|                | <u>264,765</u> | <u>320,830</u> |
|                | =====          | =====          |

Other debtors totalling £32,073 (2022: £32,073) are recoverable after more than one year.

### 16 Creditors: Amounts Falling Due Within One Year

|                              | 2023<br>£      | 2022<br>£      |
|------------------------------|----------------|----------------|
| Trade creditors              | 103,482        | 66,165         |
| Taxation and social security | 21,387         | 25,554         |
| Accruals                     | 47,773         | 94,889         |
| Other creditors              | 96,558         | 88,027         |
|                              | <u>269,200</u> | <u>274,635</u> |
|                              | =====          | =====          |

### 17 Operating Lease Commitments

Operating lease payments represent rentals payable by the company for the lease of equipment and property.

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

#### Property

|                       | 2023<br>£ | 2022<br>£ |
|-----------------------|-----------|-----------|
| In less than one year | 106,131   | 98,536    |
| In two to five years  | 322,112   | 285,660   |
| In over five years    | 113,074   | 184,489   |
|                       | =====     | =====     |

#### Vehicles

|                       | 2023<br>£ | 2022<br>£ |
|-----------------------|-----------|-----------|
| In less than one year | 15,208    | 15,208    |
| In two to five years  | 15,939    | 31,147    |
|                       | =====     | =====     |

#### Lessor

At the reporting end date, the company had contracted with tenants for the following minimum lease payments:

#### Property

|                       | 2023<br>£ | 2022<br>£ |
|-----------------------|-----------|-----------|
| In less than one year | 75,184    | 75,184    |
| In two to five years  | 231,817   | 300,736   |
| In over five years    | -         | 6,265     |
|                       | =====     | =====     |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

### for the year ended 31 July 2023

#### 18 Transfer to Unrestricted Funds

If restricted funding is not utilised at the period end, it is carried forward until such time that all costs for that particular project or purpose have ceased at which point, so long as the agreement does not prohibit it, the balance of funds become unrestricted reserves. The amount of £38,812 (2022: £27,587) is no longer subject to restrictions and has been transferred to unrestricted funds.

#### 19 Reserves

|                    | Balance at<br>1 August<br>2022<br>£ | Movement in<br>the year<br>£ | Balance at<br>31 July<br>2023<br>£ |
|--------------------|-------------------------------------|------------------------------|------------------------------------|
| Unrestricted funds | 639,642                             | (143,639)                    | 496,003                            |
| Restricted funds   | 66,240                              | (2,338)                      | 63,902                             |
|                    | <u>705,882</u>                      | <u>(145,977)</u>             | <u>559,905</u>                     |
|                    | =====                               | =====                        | =====                              |

#### 20 Called Up Share Capital

The company is limited by guarantee and has no share capital. Under the provisions of the company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of debts of the company in the event of a deficiency of assets on winding up of the company.

#### 21 Control

The charity has been controlled throughout the year by the trustees.

#### 22 Related Party Transactions

During the year there were no related party transactions.

#### 23 Cash Generated from Operations

|                                                      | 2023<br>£       | 2022<br>£        |
|------------------------------------------------------|-----------------|------------------|
| Deficit for the year                                 | (145,977)       | (39,785)         |
| <b>Adjustments for:</b>                              |                 |                  |
| Investment income                                    | (3,924)         | (184)            |
| Depreciation and impairment of tangible fixed assets | 7,052           | 6,937            |
| <b>Movements in working capital:</b>                 |                 |                  |
| Decrease/(Increase) in debtors                       | 56,065          | (113,340)        |
| Increase/(Decrease) in creditors                     | (5,435)         | (81,792)         |
| <b>Cash generated from operations</b>                | <u>(92,219)</u> | <u>(228,164)</u> |
|                                                      | =====           | =====            |

#### 24 Analysis of Changes in Net Funds

|                          | Balance at<br>1 August<br>2022<br>£ | Movement in<br>the year<br>£ | Balance at<br>31 July<br>2023<br>£ |
|--------------------------|-------------------------------------|------------------------------|------------------------------------|
| Cash at bank and in hand | 635,238                             | (96,974)                     | 538,264                            |
|                          | =====                               | =====                        | =====                              |

**AREA 51 EDUCATION LTD****Detailed Income and Expenditure Account****for the year ended 31 July 2023**

|                                                      | <b>Year<br/>Ended<br/>31 July<br/>2023<br/>£</b> | <b>Year<br/>Ended<br/>31 July<br/>2022<br/>£</b> |
|------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>Incoming Resources</b>                            |                                                  |                                                  |
| <b>Incoming resources from charitable activities</b> |                                                  |                                                  |
| Full time courses                                    | 801,718                                          | 674,582                                          |
| Education funding agency                             | 1,166,344                                        | 1,307,726                                        |
|                                                      | <u>1,968,062</u>                                 | <u>1,982,308</u>                                 |
| <b>Voluntary income</b>                              |                                                  |                                                  |
| Donations                                            | 46                                               | 170                                              |
| <b>Investment income</b>                             |                                                  |                                                  |
| Bank interest received                               | 3,924                                            | 184                                              |
| <b>Other income</b>                                  |                                                  |                                                  |
| Other grants received                                | 55,011                                           | 52,849                                           |
| Furlough income                                      | -                                                | 1,520                                            |
| Rent receivable                                      | 72,051                                           | 64,513                                           |
| Student café and shop                                | 1,255                                            | -                                                |
| <b>Total Incoming Resources</b>                      | <u>2,100,349</u><br>=====                        | <u>2,101,544</u><br>=====                        |
| <b>Resources Expended</b>                            |                                                  |                                                  |
| Charitable activities                                | (Page 19) 2,232,799                              | 2,127,182                                        |
| Other resources expended                             | (Page 19) 13,527                                 | 14,148                                           |
| <b>Total Resources Expended</b>                      | <u>2,246,326</u><br>=====                        | <u>2,141,330</u><br>=====                        |
| <b>Deficit for the year</b>                          | <u>(145,977)</u><br>=====                        | <u>(39,786)</u><br>=====                         |

*This page does not form part of the statutory accounts*

**AREA 51 EDUCATION LTD****Detailed Income and Expenditure Account****for the year ended 31 July 2023**

|                                           | <b>Year<br/>Ended<br/>31 July<br/>2023<br/>£</b> | <b>Year<br/>Ended<br/>31 July<br/>2022<br/>£</b> |
|-------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>Charitable activities</b>              |                                                  |                                                  |
| Equipment and general purchases           | 43,948                                           | 41,176                                           |
| Learner transport and facilities hire     | 111,427                                          | 93,900                                           |
| Staff costs including employer's NI       | 1,433,809                                        | 1,328,612                                        |
| Subcontract labour                        | 165,920                                          | 202,375                                          |
| Staff training                            | 26,875                                           | 11,933                                           |
| Clothing costs                            | 2,664                                            | 187                                              |
| Rent and service charges                  | 244,748                                          | 244,288                                          |
| Rates                                     | 11,793                                           | 4,702                                            |
| Insurance                                 | 21,288                                           | 18,855                                           |
| Light and heat                            | 21,105                                           | 29,477                                           |
| Cleaning                                  | 19,372                                           | 19,171                                           |
| Repairs and maintenance                   | 26,440                                           | 49,704                                           |
| Dilapidation costs (release of provision) | -                                                | (50,000)                                         |
| Staff recruitment                         | 15,569                                           | 25,783                                           |
| Printing, postage and stationery          | 11,193                                           | 12,265                                           |
| Advertising                               | 77                                               | 390                                              |
| Telephone charges                         | 8,332                                            | 7,804                                            |
| Computer running costs                    | 2,096                                            | 1,775                                            |
| Hire of equipment                         | 5,367                                            | 7,521                                            |
| Motor vehicle leasing                     | 15,246                                           | 13,209                                           |
| Motor running costs                       | 7,374                                            | 5,323                                            |
| Travelling expenses                       | 3,367                                            | 4,257                                            |
| Entertaining                              | 570                                              | 280                                              |
| Legal and professional fees               | 15,480                                           | 19,492                                           |
| Bad and doubtful debts                    | 325                                              | 20,843                                           |
| Sundry expenses                           | 20                                               | 325                                              |
| Accountancy charges                       | 7,173                                            | 8,483                                            |
| Audit fee                                 | 4,800                                            | 4,210                                            |
| Subscriptions                             | 11,342                                           | 6,598                                            |
| Depreciation of plant and machinery       | 3,202                                            | 3,441                                            |
| Depreciation of fixtures and fittings     | 3,850                                            | 3,496                                            |
|                                           | <u>2,232,799</u>                                 | <u>2,127,182</u>                                 |
|                                           | =====                                            | =====                                            |
| <b>Other resources expended</b>           |                                                  |                                                  |
| Bank charges                              | 1,554                                            | 1,455                                            |
| Accountancy charges                       | 7,173                                            | 8,483                                            |
| Audit fee                                 | 4,800                                            | 4,210                                            |
|                                           | <u>13,527</u>                                    | <u>14,148</u>                                    |
|                                           | =====                                            | =====                                            |

*This page does not form part of the statutory accounts*

---

# Accounts

---

**Company Number: 06724508**

**Charity Number: 1139447**

---

**AREA 51 EDUCATION LTD**

**Report and Accounts**

**for the year ended 31 July 2022**

---

# AREA 51 EDUCATION LTD

## Report and Accounts

for the year ended 31 July 2022

### INDEX

---

#### Page Number

1 to 4 Trustees' (Directors') Annual Report

5 to 7 Independent Auditors' Report

8 Statement of Financial Activities

9 Balance Sheet

10 Statement of Cash Flows

11 to 18 Notes forming part of the Accounts

#### **The following pages do not form part of the statutory accounts:**

19 and 20 Detailed Income and Expenditure Account

# **AREA 51 EDUCATION LTD**

## **Company Information**

**Company Number: 06724508**

**Charities Number: 1139447**

---

### **Registered Office**

1 Mallard Place  
Coburg Road  
London  
N22 6TS

### **Trustees**

Dr M Griffiths – Chairman and Secretary  
Mr D Stansell – Treasurer

### **Directors**

Dr M Griffiths  
Mr D Stansell  
Ms T Sanford  
Mr N Fryars  
Ms M Vadher

### **Senior Staff**

Miss N Quarterman

### **Auditors**

Dickinsons  
Brandon House  
First Floor  
90 The Broadway  
Chesham  
Buckinghamshire  
HP5 1EG

### **Bankers**

National Westminster Bank Plc  
PO Box 4115  
Essex  
RM12 4DF

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2022**

---

**Trustees' Annual Report**

The Trustees submit their report together with the audited accounts for the year ended 31 July 2022.

The accounts have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the memorandum and Articles of Association and 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). This report is also a directors' report as required by the Companies Act 2006, as all trustees are directors.

**Structure, Governance and Management**

The Charity is constituted as a company, limited by guarantee, it does not have any share capital and it is governed by its Memorandum and Articles of Association.

The management of the Charity is the responsibility of the Trustees who are also appointed directors of the company. New trustees are appointed on the recommendation of existing trustees being deemed to have appropriate experience and knowledge for the role.

There are no formal procedures for inducting new trustees, however, any new trustee appointed would be practically aware of the work undertaken by the Charity and support is always provided by the founding trustees.

Details of related party transactions, where applicable, can be found in the notes to the accounts.

The day to day running of the Charity is undertaken by a senior staff member, Miss N Quarterman. Trustees meet on a regular basis to discuss performance and set targets for longer term goals.

**Objectives and Activities**

Area 51 Education Ltd is a charitable organisation whose aims are:

1. To advance the education of people with learning difficulties and disabilities in the development of functional skills for life and work.
2. The elimination of discrimination on the basis of learning and/or physical disability.
3. The promotion of social inclusion among people with learning and/or physical disabilities and their families who are socially excluded from society or part of society as a result of their disabilities by:
  - i) Raising public awareness of the issues affecting people with learning and/or physical disabilities and their families, and;
  - ii) Providing a positive model for continuing education for people with learning and/or physical disabilities after compulsory school-leaving age.
4. To advance in life and help young people with learning and/or physical disabilities through providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.
5. To act as a resource for people with learning and/or physical disabilities living in the area of London by providing advice and assistance and organising programmes of physical, education and other activities by advancing education and relieving unemployment.
6. Providing recreational and leisure time activity in the interests of social welfare for people living within the area of benefit who have need by reason of their age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.
7. To promote the social and economic inclusion, for the public benefit, of people with learning and/or physical disabilities who are excluded as a result of their disability by providing opportunities for the development of employment in social enterprise companies.

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2022**

---

In shaping our objectives and planning our activities, the Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and have complied with section 4 of the Charities Act 2011.

The Trustees consider that the charity exists for the purpose of the local public benefit within the North London Boroughs of Haringey, Hackney, Tower Hamlets, Enfield, Barnet, Waltham Forest, Islington and Camden.

The Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

**Risk Assessment**

In order to comply with the Statement of Recommended Practice for Charity Accounts (FRS 102) a review of the major risks to which the charity is exposed and the systems that have to be established to mitigate those risks has been carried out. The Trustees receive regular reports and these are monitored on an ongoing basis at Board Level.

**Achievements and Performance**

Despite the challenges presented by the pandemic, the college remained open throughout and staff continued their review of assessment and recording processes to better reflect the achievements of students. The college continues its partnership with Richard Cloudesley School in Islington. The 2-year pilot has been successful, but accommodation has been a challenge and for the moment the students have been relocated to Mallard Place.

While the impact of the Coronavirus pandemic has severely impacted work experience opportunities, new opportunities have been created in horticulture, catering and retail.

**Future Developments and Strategies**

The college's current premises have been acquired by the local authority and the trustees and Council are actively seeking better premises for the college. Work continues with the Council and local stakeholders to identify solutions, the details of which remain undefined.

The college had plans to develop new provision and to extend the scope of provision and develop new opportunities for young people with very severe disabilities. To accomplish this a CEO was employed to focus on new developments and she began to explore new opportunities. Unfortunately, due to the outcome of the Ofsted inspection in November 2022, expansion became impossible, and this post was made redundant. The focus is now on developing a new curriculum, improving teaching and learning and continuing to improve assessment of students' achievements and recording them effectively to return the college to its previous Ofsted status of 'Good'.

The postponement of the college's move to new premises is unsettling but the college continues to focus on developing its provision. The pandemic has provided opportunities to explore the provision of online learning for people with learning difficulties, for whom this traditionally had not been offered.

**Financial Review**

The Statement of Financial Activities for the year is set out on page 8 of the accounts.

Owing to its status as an Independent Specialist Provider, the Charity received grants from the Education Funding Agency and Local Authorities. During the year income amounted to £1,982,308 (2021: £1,919,790).

Staff costs are the Charity's core costs in meeting its objectives; these have increased from £1,161,919 in the prior year to £1,328,612.

The result for the year is a deficit of £39,786 (2021: surplus of £50,453).

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2022**

---

**Statement of Trustees' Responsibilities**

Company law requires the Trustees to prepare accounts for each financial period which, give a true and fair view of the state of affairs of the Company and of the surplus for that period. In preparing those accounts the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- 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 accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure the accounts have been properly prepared in accordance with the provisions of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The following additional directors were appointed to the Board during the period: Nick Fryars, Tess Sanford and Mona Vadher.

As mentioned above, a CEO – Carmel Medziolka - was appointed in December 2021 to take responsibility for non-educational matters and to grow the provision, and her salary was above the minimum reporting threshold required for the Charity Commission. It has subsequently not been possible to grow the provision in line with the original plans, and the role of CEO was therefore made redundant after the end of the period which these accounts cover.

So far as the Trustees' are aware, there is no other relevant audit information of which the Company's Auditors are unaware and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

**Legal and Administrative Information**

Area 51 Education Ltd, also known as The John Dewey Specialist College is limited by guarantee and has no share capital.

Under the provisions of the Company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of the debts of the Company in the event of a deficiency of assets on a winding up of the Company.

The Company is a registered charity under the Charities Act 2011 with registration number 1139447. The Company Number is 06724508.

**Reserves Policy**

The Trustees have established a policy to maintain reserves at a level sufficient to secure funding for suitable, long term premises when these can be found.

As at 31 July 2022 unrestricted reserves amounted to £639,642 (2021: £658,705) and restricted reserves amounted to £66,240 (2021: £86,963).

**Trustees and Directors**

The Trustees, who are also directors, and, who served during the year, were as follows:

Dr M Griffiths  
Mr D Stansell

**Auditors**

The Auditors, Dickinsons Chartered Accountants have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

**AREA 51 EDUCATION LTD**

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2022**

---

**Exemption Statement**

The accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board:

  
.....  
Dr M Griffiths  
Trustee and Director

.....19<sup>th</sup> April 2023  
Date

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2022**

---

**Opinion**

We have audited the financial statements of Area 51 Education Ltd for the year ended 31 July 2022 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes 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 company's affairs as at 31 July 2022 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 3 to the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2022**

---

**Matters on which we are required to report by exception**

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

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

- adequate and proper 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' 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 pages 2-3, the trustees (who are also the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under s144 of Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to include the Companies Act 2006, and relevant tax legislation.

We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. We examined discussed with management any known or suspected instances of fraud or non-compliance with laws and regulations.

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2022**

---

We assessed the risks of material misstatement in respect of fraud as follows:

- The audit team questioned whether there were any areas that were susceptible to misstatement as part of their fraud discussion.
- In addressing the risk of management override of controls, we tested the appropriateness of journal entries with a focus on large or unusual transactions based on criteria determined using our knowledge of the business and industry. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements.
- We incorporated an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud, including designing audit procedures to address, for example:

- The possibility of fraudulent or corrupt payments made through third parties.
- The risk of bribery and corruption.
- The opportunity to segregate duties within the entity.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

- Using our general commercial and sector experience and through discussions with management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either because of fraud or error.
- The engagement partner considers the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

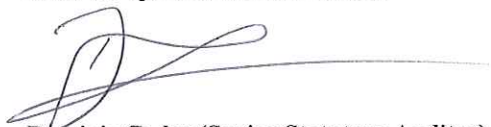
We considered the extent to which the audit was considered capable of detecting irregularities:

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

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

**Use of our report**

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to the, 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 company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Dominic Cader (Senior Statutory Auditor)**  
**for and on behalf of Dickinsons, Statutory Auditor**

Brandon House  
First Floor  
90 The Broadway  
Chesham  
Buckinghamshire  
HP5 1EG

20<sup>th</sup> April 2023  
.....  
Date

# AREA 51 EDUCATION LTD

## Statement of Financial Activities

for the year ended 31 July 2022

|                                    | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2022<br>Total Funds<br>£ | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2021<br>Total Funds<br>£ |
|------------------------------------|-------|----------------------------|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|
| <b>Incoming Resources</b>          |       |                            |                          |                          |                            |                          |                          |
| Charitable activities              | 5     | 1,982,308                  | -                        | 1,982,308                | 1,919,790                  | -                        | 1,919,790                |
| Donations                          | 6     | 170                        | -                        | 170                      | 1,747                      | -                        | 1,747                    |
| Investment income                  | 7     | 184                        | -                        | 184                      | 35                         | -                        | 35                       |
| Other income                       | 8     | 80,070                     | 38,812                   | 118,882                  | 46,937                     | -                        | 46,937                   |
| <b>Total Incoming Resources</b>    |       | <u>2,062,732</u>           | <u>38,812</u>            | <u>2,101,544</u>         | <u>1,968,509</u>           | <u>-</u>                 | <u>1,968,509</u>         |
| <b>Resources Expended</b>          |       |                            |                          |                          |                            |                          |                          |
| Costs of charitable activities     | 9     | 2,107,927                  | 31,948                   | 2,139,875                | 1,915,885                  | 820                      | 1,916,705                |
| Other resources expended           | 10    | 1,455                      | -                        | 1,455                    | 1,351                      | -                        | 1,351                    |
| <b>Total Resources Expended</b>    |       | <u>2,109,382</u>           | <u>31,948</u>            | <u>2,141,330</u>         | <u>1,917,236</u>           | <u>820</u>               | <u>1,918,056</u>         |
| <b>Transfers Between Funds</b>     | 18    | 27,587                     | (27,587)                 | -                        |                            |                          |                          |
| <b>(Deficit)/Surplus in Funds</b>  |       | <u>(19,063)</u>            | <u>(20,723)</u>          | <u>(39,786)</u>          | <u>51,273</u>              | <u>(820)</u>             | <u>50,453</u>            |
| <b>Reconciliation of Funds</b>     |       |                            |                          |                          |                            |                          |                          |
| Total Funds at 1 August 2021       |       | 658,705                    | 86,963                   | 745,668                  | 607,432                    | 87,783                   | 695,215                  |
| Net Movement in Funds              |       | (19,063)                   | (20,723)                 | (39,786)                 | 51,273                     | (820)                    | 50,453                   |
| <b>Total Funds at 31 July 2022</b> | 19    | <u>639,642</u>             | <u>66,240</u>            | <u>705,882</u>           | <u>658,705</u>             | <u>86,963</u>            | <u>745,668</u>           |

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

All income and expenditure is derived from continuing activities.

*The notes on pages 11 to 18 form part of these accounts*

## Balance Sheet

Charity Number: 1139447

as at 31 July 2022

|                                                       | Notes | £              | As at<br>31 July<br>2022<br>£ | £              | As at<br>31 July<br>2021<br>£ | £              |
|-------------------------------------------------------|-------|----------------|-------------------------------|----------------|-------------------------------|----------------|
| <b>Fixed assets</b>                                   |       |                |                               |                |                               |                |
| Tangible fixed assets                                 | 13    |                |                               | 24,449         |                               | 12,365         |
| <b>Current assets</b>                                 |       |                |                               |                |                               |                |
| Debtors                                               | 15    | 320,830        |                               |                | 207,490                       |                |
| Cash at bank and in hand                              |       | 635,238        |                               |                | 882,239                       |                |
|                                                       |       | <u>956,068</u> |                               |                | <u>1,089,729</u>              |                |
| <b>Creditors: amounts falling due within one year</b> | 16    | (274,635)      |                               |                | (356,426)                     |                |
| <b>Net current assets</b>                             |       |                |                               | 681,433        |                               | 733,303        |
| <b>Total assets less current liabilities</b>          |       |                |                               | <u>705,882</u> |                               | <u>745,668</u> |
| <b>Funds of the charity</b>                           |       |                |                               |                |                               |                |
| Restricted income funds                               | 19    | 66,240         |                               |                | 86,963                        |                |
| Unrestricted income funds                             | 19    | 639,642        |                               |                | 658,705                       |                |
| <b>Total funds</b>                                    |       |                |                               | <u>705,882</u> |                               | <u>745,668</u> |

These accounts were approved by the board on 16<sup>th</sup> April 2023

Matthew Griffiths

Dr M Griffiths  
Trustee and Director

The notes on pages 11 to 18 form part of these accounts.

# AREA 51 EDUCATION LTD

## Statement of Cash Flows

for the year ended 31 July 2022

|                                                             | Notes | 2022      | 2021    |
|-------------------------------------------------------------|-------|-----------|---------|
|                                                             |       | £         | £       |
| <b>Cash flows from operating activities</b>                 |       |           |         |
| Cash (absorbed by)/generated from operations                | 23    | (228,164) | 479,352 |
| Interest paid                                               |       | -         | -       |
| <b>Net cash (outflow)/inflow from operating activities</b>  |       | (228,164) | 479,352 |
| <b>Investing activities</b>                                 |       |           |         |
| Proceeds from sale of tangible fixed assets                 |       | -         | 1,500   |
| Purchase of tangible fixed assets                           |       | (19,021)  | (2,080) |
| Interest received                                           |       | 184       | 35      |
| <b>Net cash used in investing activities</b>                |       | (18,837)  | (545)   |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |       | (247,001) | 478,807 |
| Cash and cash equivalents at beginning of year              |       | 882,239   | 403,432 |
| <b>Cash and cash equivalents at end of year</b>             | 24    | 635,238   | 882,239 |

The notes on pages 11 to 18 form part of these accounts.

**1 Principal Accounting Policies**

***Accounting Convention***

The accounts have been prepared under the historical cost convention, the Statement of Recommended Practice accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Act 2011. The accounts include the results of the charity's operations which are described in the Trustees' Annual Report.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The trustees consider that the charity exists for the purpose of the local public benefit as defined in section 4 of the Charities Act 2011.

***Going Concern***

The Trustees have adopted the going concern basis of accounting in preparing the financial statements; the Trustees are satisfied the charity has sufficient reserves and access to the financial support necessary to meet working capital requirements and enable the company to remain in operational existence for the foreseeable future.

***Incoming Resources***

Total incoming resources as shown in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

***Resources Expended***

Expenditure is accounted for on an accruals basis, recognised when a liability is incurred, and classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

***Basic Financial Assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic Financial Liabilities***

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

***Depreciation***

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

|                        |                                    |
|------------------------|------------------------------------|
| Leasehold improvements | -straight line over the lease term |
| Plant and machinery    | -25% on written down value         |
| Fixtures and fittings  | -25% on written down value         |

***Impairment of Fixed Assets***

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Principal Accounting Policies (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed, if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**Government Grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**Fund Accounting - Unrestricted Funds**

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

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

**Fund Accounting - Restricted Funds**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is allocated to the fund.

**Retirement Benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**2 Judgements and Key Sources of Estimation Uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Judgements and Key Sources of Estimation Uncertainty (continued)****Key Sources of Estimation Uncertainty**

The estimates and assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

**3 Ethical Standard - Provisions Available for Small Entities**

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the accounts.

**4 Turnover**

The turnover and operating surplus for the year was derived from the company's principal activity and arises solely in the United Kingdom.

**5 Incoming Resources from Charitable Activities**

|                          | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>2022<br/>£</b> | <b>Total<br/>2021<br/>£</b> |
|--------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Full time courses        | 674,582                             | -                                 | 674,582                     | 635,529                     |
| Education funding agency | 1,307,726                           | -                                 | 1,307,726                   | 1,284,261                   |
|                          | <u>1,982,308</u>                    | <u>-</u>                          | <u>1,982,308</u>            | <u>1,919,790</u>            |
|                          | =====                               | =====                             | =====                       | =====                       |

**6 Incoming Resources from Donations**

|           | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>2022<br/>£</b> | <b>Total<br/>2021<br/>£</b> |
|-----------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Donations | 170                                 | -                                 | 170                         | 1,747                       |
|           | <u>=====</u>                        | <u>=====</u>                      | <u>=====</u>                | <u>=====</u>                |

**7 Investment Income**

|                        | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>2022<br/>£</b> | <b>Total<br/>2021<br/>£</b> |
|------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Bank interest received | 184                                 | -                                 | 184                         | 35                          |
|                        | <u>=====</u>                        | <u>=====</u>                      | <u>=====</u>                | <u>=====</u>                |

**8 Other Income**

|                       | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>2022<br/>£</b> | <b>Total<br/>2021<br/>£</b> |
|-----------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Other grants received | 14,037                              | 38,812                            | 52,849                      | 6,450                       |
| Furlough income       | 1,520                               | -                                 | 1,520                       | 40,487                      |
| Rent receivable       | 64,513                              | -                                 | 64,513                      | -                           |
|                       | <u>80,070</u>                       | <u>38,812</u>                     | <u>118,882</u>              | <u>46,937</u>               |
|                       | =====                               | =====                             | =====                       | =====                       |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2022

| 9  | Costs of Charitable Activities            | Unrestricted     | Restricted    | Total            | Total            |
|----|-------------------------------------------|------------------|---------------|------------------|------------------|
|    |                                           | Funds            | Funds         | 2022             | 2021             |
|    |                                           | £                | £             | £                | £                |
|    | Equipment and general purchases           | 41,176           | -             | 41,176           | 58,213           |
|    | Learner transport and facilities hire     | 93,900           | -             | 93,900           | 91,578           |
|    | Staff costs including employer's NI       | 1,328,612        | -             | 1,328,612        | 1,161,919        |
|    | Subcontract labour                        | 202,375          | -             | 202,375          | 166,092          |
|    | Staff training                            | 11,933           | -             | 11,933           | 12,862           |
|    | Clothing costs                            | 187              | -             | 187              | 2,371            |
|    | Rent and service charges                  | 244,288          | -             | 244,288          | 206,413          |
|    | Rates                                     | 4,702            | -             | 4,702            | 24,513           |
|    | Insurance                                 | 18,855           | -             | 18,855           | 14,914           |
|    | Light and heat                            | 29,477           | -             | 29,477           | 17,687           |
|    | Cleaning                                  | 19,171           | -             | 19,171           | 18,309           |
|    | Repairs and maintenance                   | 17,756           | 31,948        | 49,704           | 20,434           |
|    | Dilapidation costs (release of provision) | (50,000)         | -             | (50,000)         | 20,000           |
|    | Staff recruitment                         | 25,783           | -             | 25,783           | 5,911            |
|    | Printing, postage and stationery          | 12,265           | -             | 12,265           | 9,893            |
|    | Advertising                               | 390              | -             | 390              | 122              |
|    | Telephone charges                         | 7,804            | -             | 7,804            | 3,694            |
|    | Computer running costs                    | 1,775            | -             | 1,775            | 1,173            |
|    | Hire of equipment                         | 7,521            | -             | 7,521            | 7,083            |
|    | Motor vehicle leasing                     | 13,209           | -             | 13,209           | 18,979           |
|    | Motor running costs                       | 5,323            | -             | 5,323            | 6,986            |
|    | Travelling expenses                       | 4,257            | -             | 4,257            | 2,173            |
|    | Entertaining                              | 280              | -             | 280              | 823              |
|    | Legal and professional fees               | 19,492           | -             | 19,492           | 20,777           |
|    | Bad and doubtful debts                    | 20,843           | -             | 20,843           | -                |
|    | Penalties and fines                       | -                | -             | -                | 34               |
|    | Sundry expenses                           | 325              | -             | 325              | 479              |
|    | Accountancy charges                       | 8,483            | -             | 8,483            | 5,314            |
|    | Audit fee                                 | 4,210            | -             | 4,210            | 2,126            |
|    | Subscriptions                             | 6,598            | -             | 6,598            | 6,338            |
|    | Amortisation of leasehold improvements    | -                | -             | -                | 6,154            |
|    | Depreciation of plant and machinery       | 3,441            | -             | 3,441            | 1,435            |
|    | Depreciation of fixtures and fittings     | 3,496            | -             | 3,496            | 2,167            |
|    | Profit on sale of intangible asset        | -                | -             | -                | (261)            |
|    |                                           | <u>2,107,927</u> | <u>31,948</u> | <u>2,139,875</u> | <u>1,916,705</u> |
|    |                                           | =====            | =====         | =====            | =====            |
| 10 | Other Resources Expended                  | Unrestricted     | Restricted    | Total            | Total            |
|    |                                           | Funds            | Funds         | 2022             | 2021             |
|    |                                           | £                | £             | £                | £                |
|    | Bank charges                              | 1,455            | -             | 1,455            | 1,351            |
|    | Bank interest                             | -                | -             | -                | -                |
|    |                                           | <u>1,455</u>     | <u>-</u>      | <u>1,455</u>     | <u>1,351</u>     |
|    |                                           | =====            | =====         | =====            | =====            |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

### for the year ended 31 July 2022

#### 11 Staff Costs and Pensions

|                              | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2022<br>£        | Total<br>2021<br>£        |
|------------------------------|----------------------------|--------------------------|---------------------------|---------------------------|
| Wages and salaries           | 1,205,430                  | -                        | 1,205,430                 | 1,062,284                 |
| Employers N.I. contributions | 100,403                    | -                        | 100,403                   | 80,257                    |
| Staff pension contributions  | 22,779                     | -                        | 22,779                    | 19,378                    |
|                              | <u>1,328,612</u><br>=====  | <u>-</u><br>=====        | <u>1,328,612</u><br>===== | <u>1,161,919</u><br>===== |

No employee earned £60,000 or more. The average number of employees was 63 (2021: 59).

No employees participated in the Teachers' Pension Scheme. During the year ended 31 July 2022, pension contributions to the Teachers' Pension Scheme were £Nil (2021: £Nil).

#### 12 Tax on (Deficit)/Surplus

The company is a registered charity and is not liable to corporation tax.

#### 13 Tangible Fixed Assets

|                         | Leasehold<br>Improvements<br>£ | Plant and<br>Machinery<br>£ | Fixtures<br>and fittings<br>£ | Total<br>£              |
|-------------------------|--------------------------------|-----------------------------|-------------------------------|-------------------------|
| <b>Cost</b>             |                                |                             |                               |                         |
| At 1 August 2021        | 122,894                        | 24,325                      | 54,379                        | 201,598                 |
| Additions in the year   | -                              | 9,238                       | 9,783                         | 19,021                  |
| Disposal in the year    | -                              | -                           | -                             | -                       |
| At 31 July 2022         | <u>122,894</u><br>=====        | <u>33,563</u><br>=====      | <u>64,162</u><br>=====        | <u>220,619</u><br>===== |
| <b>Depreciation</b>     |                                |                             |                               |                         |
| At 1 August 2021        | 122,894                        | 18,608                      | 47,731                        | 189,233                 |
| Charge for the year     | -                              | 3,441                       | 3,496                         | 6,937                   |
| Eliminated on disposals | -                              | -                           | -                             | -                       |
| At 31 July 2022         | <u>122,894</u><br>=====        | <u>22,049</u><br>=====      | <u>51,227</u><br>=====        | <u>196,170</u><br>===== |
| <b>Net book value</b>   |                                |                             |                               |                         |
| At 31 July 2022         | <u>-</u><br>=====              | <u>11,514</u><br>=====      | <u>12,935</u><br>=====        | <u>24,449</u><br>=====  |
| At 31 July 2021         | <u>-</u><br>=====              | <u>5,717</u><br>=====       | <u>6,648</u><br>=====         | <u>12,365</u><br>=====  |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2022

| 14 | Financial Instruments                           | 2022<br>£        | 2021<br>£        |
|----|-------------------------------------------------|------------------|------------------|
|    | <b>Carrying amount of financial assets</b>      |                  |                  |
|    | Measured at amortised cost                      | 247,154<br>===== | 157,276<br>===== |
|    | <b>Carrying amount of financial liabilities</b> |                  |                  |
|    | Measured at amortised cost                      | 179,780<br>===== | 236,658<br>===== |

| 15 | Debtors        | 2022<br>£        | 2021<br>£        |
|----|----------------|------------------|------------------|
|    | Trade debtors  | 195,923          | 85,302           |
|    | Other debtors  | 36,811           | 33,590           |
|    | Prepayments    | 73,676           | 50,215           |
|    | Accrued income | 14,420           | 38,383           |
|    |                | 320,830<br>===== | 207,490<br>===== |

Other debtors totalling £32,073 (2021: £32,073) are recoverable after more than one year.

| 16 | Creditors: Amounts Falling Due Within One Year | 2022<br>£        | 2021<br>£        |
|----|------------------------------------------------|------------------|------------------|
|    | Trade creditors                                | 66,165           | 46,224           |
|    | Taxation and social security                   | 25,554           | 18,704           |
|    | Accruals                                       | 94,889           | 66,768           |
|    | Provision for dilapidations                    | -                | 50,000           |
|    | Other creditors                                | 88,027           | 174,730          |
|    |                                                | 274,635<br>===== | 356,426<br>===== |

## 17 Operating Lease Commitments

Operating lease payments represent rentals payable by the company for the lease of equipment and property.

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

### Property

|                       | 2022<br>£ | 2021<br>£ |
|-----------------------|-----------|-----------|
| In less than one year | 98,536    | 71,415    |
| In two to five years  | 285,660   | 285,660   |
| In over five years    | 184,489   | 255,904   |
|                       | =====     | =====     |

Notes forming part of the Accounts

for the year ended 31 July 2022

17 Operating Lease Commitments (continued)

Vehicles

|                       | 2022<br>£ | 2021<br>£ |
|-----------------------|-----------|-----------|
| In less than one year | 15,208    | 15,208    |
| In two to five years  | 31,147    | 46,355    |
|                       | =====     | =====     |

Lessor

At the reporting end date, the company had contracted with tenants for the following minimum lease payments:

| Property              | 2022<br>£ | 2021<br>£ |
|-----------------------|-----------|-----------|
| In less than one year | 75,184    | -         |
| In two to five years  | 300,736   | -         |
| In over five years    | 6,265     | -         |
|                       | =====     | =====     |

18 Transfer to Unrestricted Funds

If restricted funding is not utilised at the period end, it is carried forward until such time that all costs for that particular project or purpose have ceased at which point, so long as the agreement does not prohibit it, the balance of funds become unrestricted reserves. The amount of £27,587 (2021: £Nil) is no longer subject to restrictions and has been transferred to unrestricted funds.

19 Reserves

|                    | Balance at<br>1 August<br>2021<br>£ | Movement in<br>the year<br>£ | Balance at<br>31 July<br>2022<br>£ |
|--------------------|-------------------------------------|------------------------------|------------------------------------|
| Unrestricted funds | 658,705                             | (19,063)                     | 639,642                            |
| Restricted funds   | 86,963                              | (20,723)                     | 66,240                             |
|                    | =====                               | =====                        | =====                              |
|                    | 745,668                             | (39,786)                     | 705,882                            |

20 Called Up Share Capital

The company is limited by guarantee and has no share capital. Under the provisions of the company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of debts of the company in the event of a deficiency of assets on winding up of the company.

21 Control

The charity has been controlled throughout the year by the trustees.

22 Related Party Transactions

During the year there were no related party transactions.

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

### for the year ended 31 July 2022

|    |                                                      |       |            |             |            |
|----|------------------------------------------------------|-------|------------|-------------|------------|
| 23 | Cash Generated from Operations                       |       | 2022       | 2021        |            |
|    |                                                      |       | £          | £           |            |
|    | (Deficit)/Surplus for the year                       |       | (39,785)   | 50,453      |            |
|    | Adjustments for:                                     |       |            |             |            |
|    | Investment income                                    |       | (184)      | (35)        |            |
|    | Depreciation and impairment of tangible fixed assets |       | 6,937      | 9,757       |            |
|    | Profit on disposal of tangible fixed assets          |       | -          | (261)       |            |
|    | Movements in working capital:                        |       |            |             |            |
|    | Decrease/(Increase) in debtors                       |       | (113,340)  | 239,433     |            |
|    | Increase/(Decrease) in creditors                     |       | (81,792)   | 180,005     |            |
|    | Cash generated from operations                       |       | (228,164)  | 479,352     |            |
|    |                                                      |       | =====      | =====       |            |
| 24 | Analysis of Changes in Net Funds                     |       | Balance at | Movement in | Balance at |
|    |                                                      |       | 1 August   | the year    | 31 July    |
|    |                                                      |       | 2021       |             | 2022       |
|    |                                                      |       | £          | £           | £          |
|    | Cash at bank and in hand                             |       | 882,239    | (247,001)   | 635,238    |
|    |                                                      | ===== | =====      | =====       |            |

**AREA 51 EDUCATION LTD****Detailed Income and Expenditure Account****for the year ended 31 July 2022**

|                                                      | <b>Year<br/>Ended<br/>31 July<br/>2022<br/>£</b> | <b>Year<br/>Ended<br/>31 July<br/>2021<br/>£</b> |
|------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>Incoming Resources</b>                            |                                                  |                                                  |
| <b>Incoming resources from charitable activities</b> |                                                  |                                                  |
| Full time courses                                    | 674,582                                          | 635,529                                          |
| Education funding agency                             | 1,307,726                                        | 1,284,261                                        |
|                                                      | <u>1,982,308</u>                                 | <u>1,919,790</u>                                 |
| <b>Voluntary income</b>                              |                                                  |                                                  |
| Donations                                            | 170                                              | 1,747                                            |
| <b>Investment income</b>                             |                                                  |                                                  |
| Bank interest received                               | 184                                              | 35                                               |
| <b>Other income</b>                                  |                                                  |                                                  |
| Other grants received                                | 52,849                                           | 6,450                                            |
| Furlough income                                      | 1,520                                            | 40,487                                           |
| Rent receivable                                      | 64,513                                           | -                                                |
| <b>Total Incoming Resources</b>                      | <u>2,101,544</u><br>=====                        | <u>1,968,509</u><br>=====                        |
| <b>Resources Expended</b>                            |                                                  |                                                  |
| Charitable activities                                | (Page 20) 2,139,875                              | 1,916,705                                        |
| Other resources expended                             | (Page 20) 1,455                                  | 1,351                                            |
| <b>Total Resources Expended</b>                      | <u>2,141,330</u><br>=====                        | <u>1,918,056</u><br>=====                        |
| <b>(Deficit)/Surplus for the year</b>                | <u>(39,786)</u><br>=====                         | <u>50,453</u><br>=====                           |

*This page does not form part of the statutory accounts*

**AREA 51 EDUCATION LTD****Detailed Income and Expenditure Account****for the year ended 31 July 2022**

|                                           | <b>Year<br/>Ended<br/>31 July<br/>2022<br/>£</b> | <b>Year<br/>Ended<br/>31 July<br/>2021<br/>£</b> |
|-------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>Charitable activities</b>              |                                                  |                                                  |
| Equipment and general purchases           | 41,176                                           | 58,213                                           |
| Learner transport and facilities hire     | 93,900                                           | 91,578                                           |
| Staff costs including employer's NI       | 1,328,612                                        | 1,161,919                                        |
| Subcontract labour                        | 202,375                                          | 166,092                                          |
| Staff training                            | 11,933                                           | 12,862                                           |
| Clothing costs                            | 187                                              | 2,371                                            |
| Rent and service charges                  | 244,288                                          | 206,413                                          |
| Rates                                     | 4,702                                            | 24,513                                           |
| Insurance                                 | 18,855                                           | 14,914                                           |
| Light and heat                            | 29,477                                           | 17,687                                           |
| Cleaning                                  | 19,171                                           | 18,309                                           |
| Repairs and maintenance                   | 49,704                                           | 20,434                                           |
| Dilapidation costs (release of provision) | (50,000)                                         | 20,000                                           |
| Staff recruitment                         | 25,783                                           | 5,911                                            |
| Printing, postage and stationery          | 12,265                                           | 9,893                                            |
| Advertising                               | 390                                              | 122                                              |
| Telephone charges                         | 7,804                                            | 3,694                                            |
| Computer running costs                    | 1,775                                            | 1,173                                            |
| Hire of equipment                         | 7,521                                            | 7,083                                            |
| Motor vehicle leasing                     | 13,209                                           | 18,979                                           |
| Motor running costs                       | 5,323                                            | 6,986                                            |
| Travelling expenses                       | 4,257                                            | 2,173                                            |
| Entertaining                              | 280                                              | 823                                              |
| Legal and professional fees               | 19,492                                           | 20,777                                           |
| Bad and doubtful debts                    | 20,843                                           | -                                                |
| Penalties and fines                       | -                                                | 34                                               |
| Sundry expenses                           | 325                                              | 479                                              |
| Accountancy charges                       | 8,483                                            | 5,314                                            |
| Audit fee                                 | 4,210                                            | 2,126                                            |
| Subscriptions                             | 6,598                                            | 6,338                                            |
| Amortisation of leasehold improvements    | -                                                | 6,154                                            |
| Depreciation of plant and machinery       | 3,441                                            | 1,435                                            |
| Depreciation of fixtures and fittings     | 3,496                                            | 2,167                                            |
| Profit on sale of intangible asset        | -                                                | (261)                                            |
|                                           | <u>2,139,875</u>                                 | <u>1,916,705</u>                                 |
|                                           | =====                                            | =====                                            |
| <b>Other resources expended</b>           |                                                  |                                                  |
| Bank charges                              | 1,455                                            | 1,351                                            |
|                                           | <u>1,455</u>                                     | <u>1,351</u>                                     |
|                                           | =====                                            | =====                                            |

*This page does not form part of the statutory accounts*

---

# Accounts

---

---

**AREA 51 EDUCATION LTD**

**Report and Accounts**

**for the year ended 31 July 2021**

---

# **AREA 51 EDUCATION LTD**

## **Report and Accounts**

**for the year ended 31 July 2021**

### **INDEX**

---

#### **Page Number**

|          |                                      |
|----------|--------------------------------------|
| 1 to 3   | Trustees' (Directors') Annual Report |
| 4 to 6   | Independent Auditors' Report         |
| 7        | Statement of Financial Activities    |
| 8        | Balance Sheet                        |
| 9        | Statement of Cash Flows              |
| 10 to 17 | Notes forming part of the Accounts   |

# **AREA 51 EDUCATION LTD**

## **Company Information**

**Company Number: 06724508**

**Charities Number: 1139447**

---

## **Registered Office**

1 Mallard Place  
Coburg Road  
London  
N22 6TS

## **Trustees and Directors**

Dr M Griffiths – Chairman and Secretary  
Mr D Stansell – Treasurer

## **Senior Staff**

Miss N Quarterman

## **Auditors**

Dickinsons  
Enterprise House  
Beeson's Yard  
Bury Lane  
Rickmansworth  
Hertfordshire  
WD3 1DS

## **Bankers**

National Westminster Bank Plc  
PO Box 4115  
Essex  
RM12 4DF

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2021**

---

**Trustees' Annual Report**

The Trustees submit their report together with the audited accounts for the year ended 31 July 2021.

The accounts have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the memorandum and Articles of Association and 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). This report is also a directors' report as required by the Companies Act 2006, as all trustees are directors.

**Structure, Governance and Management**

The Charity is constituted as a company, limited by guarantee, it does not have any share capital and it is governed by its Memorandum and Articles of Association.

The management of the Charity is the responsibility of the Trustees who are also appointed directors of the company. New trustees are appointed on the recommendation of existing trustees and who are deemed to have appropriate experience and knowledge for the role.

There are no formal procedures for inducting new trustees, however, any new trustee appointed would be practically aware of the work undertaken by the Charity and support is always provided by the founding trustees.

Details of related party transactions, where applicable, can be found in the notes to the accounts.

The day to day running of the Charity is undertaken by a senior staff member, Miss N Quarterman. Trustees meet on a regular basis to discuss performance and set targets for longer term goals.

**Objectives and Activities**

Area 51 Education Ltd is a charitable organisation whose aims are:

1. To advance the education of people with learning difficulties and disabilities in the development of functional skills for life and work.
2. The elimination of discrimination on the basis of learning and/or physical disability.
3. The promotion of social inclusion among people with learning and/or physical disabilities and their families who are socially excluded from society or part of society as a result of their disabilities by:
  - i) Raising public awareness of the issues affecting people with learning and/or physical disabilities and their families, and;
  - ii) Providing a positive model for continuing education for people with learning and/or physical disabilities after compulsory school-leaving age.
4. To advance in life and help young people with learning and/or physical disabilities through providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.
5. To act as a resource for people with learning and/or physical disabilities living in the area of London by providing advice and assistance and organising programmes of physical, education and other activities by advancing education and relieving unemployment.
6. Providing recreational and leisure time activity in the interests of social welfare for people living within the area of benefit who have need by reason of their age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.
7. To promote the social and economic inclusion, for the public benefit, of people with learning and/or physical disabilities who are excluded as a result of their disability by providing opportunities for the development of employment in social enterprise companies.

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2021**

---

In shaping our objectives and planning our activities, the Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and have complied with section 4 of the Charities Act 2011.

The Trustees consider that the charity exists for the purpose of the local public benefit within the North London Boroughs of Haringey, Hackney, Tower Hamlets, Enfield, Barnet, Waltham Forest, Islington and Camden.

The Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

**Risk Assessment**

In order to comply with the Statement of Recommended Practice for Charity Accounts (FRS 102) a review of the major risks to which the charity is exposed and the systems that have to be established to mitigate those risks has been carried out. The Trustees receive regular reports and these are monitored on an ongoing basis at Board Level.

**Achievements and Performance**

The college has maintained the high standards achieved in its Ofsted report in 2016, undertaking a review of its assessment and recording processes to better reflect the achievements of its students in 2021. The college continues its partnership with Richard Cloudesley school in Islington. The 2-year pilot has been very successful, and the service is aiming to move to a new college location from September 2022.

While the impact of the Coronavirus pandemic has severely impacted work experience opportunities over 2020-21, new opportunities have been created in horticulture, catering and retail.

**Future Developments and Strategies**

The lease on the college's current premises has been acquired by the Local Authority and the local authority are actively seeking better premises for the college. Work continues with the Council and local stakeholders to identify solutions. The plan is for the new site to be identified by September 2022. The move is likely to take place by September 2023.

The college has plans to develop new provision in partnership with another local provider that will extend the scope of provision to include young people with complex physical disabilities and offer new pathways into work for this cohort. This provision will benefit the college as a whole through the opening up of new employment opportunities for young people with learning disabilities as well as introducing the college to a wider group of stakeholders and beneficiaries. The postponement of the college's move to new premises has enabled the college to focus on developing its adult provision and the pandemic has provided opportunities to explore the provision of online learning for people with learning difficulties, for whom this traditionally had not been offered.

**Financial Review**

The Statement of Financial Activities for the year is set out on page 7 of the accounts.

Owing to its status as an Independent Specialist Provider, the Charity received grants from the Education Funding Agency and Local Authorities. During the year income amounted to £1,919,790 (2020: £1,893,931).

Staff costs are the Charity's core costs in meeting its objectives; these have decreased from £1,204,089 in the prior year to £1,161,919.

A provision of £50,000 is included in the accounts for dilapidation costs on the current premises as it remains the intention of the Trustees to relocate in the near future.

The results show a surplus for the year of £50,453 (2020: £70,528, as restated).

**Statement of Trustees' Responsibilities**

Company law requires the Trustees to prepare accounts for each financial period which, give a true and fair view of the state of affairs of the Company and of the surplus for that period. In preparing those accounts the Trustees are required to:

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2021**

---

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- 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 accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure the accounts have been properly prepared in accordance with the provisions of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees' are aware, there is no relevant audit information of which the Company's Auditors are unaware and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

**Legal and Administrative Information**

Area 51 Education Ltd, also known as The John Dewey Specialist College is limited by guarantee and has no share capital.

Under the provisions of the Company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of the debts of the Company in the event of a deficiency of assets on a winding up of the Company.

The Company is a registered charity under the Charities Act 2011 with registration number 1139447. The Company Number is 06724508.

**Reserves Policy**

The Trustees have established a policy to maintain reserves at a level sufficient to secure funding for suitable, long term premises when these can be found.

As at 31 July 2021 unrestricted reserves amounted to £658,705 (2020: £607,432, as restated) and restricted reserves amounted to £86,963 (2020: £87,783).

**Trustees and Directors**

The Trustees, and also directors, who served during the year, were as follows:

Dr M Griffiths  
Mr D Stansell

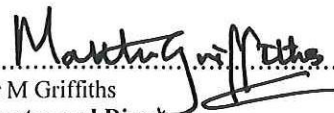
**Auditors**

The Auditors, Dickinsons Chartered Accountants have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

**Exemption Statement**

The accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By Order of the Board:

  
.....  
Dr M Griffiths  
Trustee and Director

5<sup>th</sup> 12<sup>th</sup> Dec 2022  
.....  
Date

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2021**

---

**Opinion**

We have audited the financial statements of Area 51 Education Ltd for the year ended 31 July 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes 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 company's affairs as at 31 July 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 3 to the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

## Independent Auditors' Report to the Trustees

for the year ended 31 July 2021

---

### Matters on which we are required to report by exception

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

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

- adequate and proper 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' 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 pages 2-3, the trustees (who are also the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under s144 of Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to include the Companies Act 2006, and relevant tax legislation.

We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. We examined discussed with management any known or suspected instances of fraud or non-compliance with laws and regulations.

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2021**

---

We assessed the risks of material misstatement in respect of fraud as follows:

- The audit team discussed whether there were any areas that were susceptible to misstatement as part of their fraud discussion.
- In addressing the risk of management override of controls, we tested the appropriateness of journal entries with a focus on large or unusual transactions based on criteria determined using our knowledge of the business and industry. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements.
- We incorporated an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud, including designing audit procedures to address, for example:

- The possibility of fraudulent or corrupt payments made through third parties.
- The risk of bribery and corruption.
- The opportunity to segregate duties within the entity.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

- Using our general commercial and sector experience and through discussions with management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either because of fraud or error.
- The engagement partner considers the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We considered the extent to which the audit was considered capable of detecting irregularities:

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

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

**Use of our report**

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to the, 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 company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Dominic Cader (Senior Statutory Auditor)  
for and on behalf of Dickinsons, Statutory Auditor**

Enterprise House  
Beeson's Yard  
Bury Lane  
Rickmansworth  
Hertfordshire  
WD3 1DS

8 April 2022

Date

# AREA 51 EDUCATION LTD

## Statement of Financial Activities

for the year ended 31 July 2021

|                                    | Notes     | Unrestricted Funds<br>£ | Restricted Funds<br>£ | 2021 Total Funds<br>£ | Unrestricted Funds<br>as restated<br>£ | Restricted Funds<br>as restated<br>£ | 2020 Total Funds<br>as restated<br>£ |
|------------------------------------|-----------|-------------------------|-----------------------|-----------------------|----------------------------------------|--------------------------------------|--------------------------------------|
| <b>Incoming Resources</b>          |           |                         |                       |                       |                                        |                                      |                                      |
| Charitable activities              | 5         | 1,919,790               | -                     | 1,919,790             | 1,883,381                              | 10,550                               | 1,893,931                            |
| Donations                          | 6         | 1,747                   | -                     | 1,747                 | 3,980                                  | -                                    | 3,980                                |
| Investment income                  | 7         | 35                      | -                     | 35                    | 484                                    | -                                    | 484                                  |
| Other income                       | 8         | 46,937                  | -                     | 46,937                | 50,291                                 | -                                    | 50,291                               |
| <b>Total Incoming Resources</b>    |           | <u>1,968,509</u>        | <u>-</u>              | <u>1,968,509</u>      | <u>1,938,136</u>                       | <u>10,550</u>                        | <u>1,948,686</u>                     |
| <b>Resources Expended</b>          |           |                         |                       |                       |                                        |                                      |                                      |
| Costs of charitable activities     | 9         | 1,915,885               | 820                   | 1,916,705             | 1,874,925                              | 1,406                                | 1,876,331                            |
| Other resources expended           | 10        | 1,351                   | -                     | 1,351                 | 1,827                                  | -                                    | 1,827                                |
| <b>Total Resources Expended</b>    |           | <u>1,917,236</u>        | <u>820</u>            | <u>1,918,056</u>      | <u>1,876,752</u>                       | <u>1,406</u>                         | <u>1,878,158</u>                     |
| <b>Net Movements in Funds</b>      |           | <u>51,273</u>           | <u>(820)</u>          | <u>50,453</u>         | <u>61,384</u>                          | <u>9,144</u>                         | <u>70,528</u>                        |
| <b>Reconciliation of Funds</b>     |           |                         |                       |                       |                                        |                                      |                                      |
| Total Funds at 1 August 2020       |           | 607,432                 | 87,783                | 695,215               | 546,048                                | 78,639                               | 624,687                              |
| Net Movement in Funds              |           | 51,273                  | (820)                 | 50,453                | 61,384                                 | 9,144                                | 70,528                               |
| <b>Total Funds at 31 July 2021</b> | <b>18</b> | <u>658,705</u>          | <u>86,963</u>         | <u>745,668</u>        | <u>607,432</u>                         | <u>87,783</u>                        | <u>695,215</u>                       |

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

All income and expenditure is derived from continuing activities.

The notes on pages 10 to 17 form part of these accounts

as at 31 July 2021

|                                                       | Notes | As at<br>31 July<br>2021<br>£ | As at<br>31 July<br>2020<br>as restated<br>£ |
|-------------------------------------------------------|-------|-------------------------------|----------------------------------------------|
| <b>Fixed assets</b>                                   |       |                               |                                              |
| Tangible fixed assets                                 | 13    | 12,365                        | 21,281                                       |
| <b>Current assets</b>                                 |       |                               |                                              |
| Debtors                                               | 15    | 207,490                       | 446,923                                      |
| Cash at bank and in hand                              |       | 882,239                       | 403,432                                      |
|                                                       |       | <u>1,089,729</u>              | <u>850,355</u>                               |
| <b>Creditors: amounts falling due within one year</b> | 16    | (356,426)                     | (176,421)                                    |
| <b>Net current assets</b>                             |       | <u>733,303</u>                | <u>673,934</u>                               |
| <b>Total assets less current liabilities</b>          |       | <u><u>745,668</u></u>         | <u><u>695,215</u></u>                        |
| <b>Funds of the charity</b>                           |       |                               |                                              |
| Restricted income funds                               | 18    | 86,963                        | 87,783                                       |
| Unrestricted income funds                             | 18    | 658,705                       | 607,432                                      |
| <b>Total funds</b>                                    |       | <u><u>745,668</u></u>         | <u><u>695,215</u></u>                        |

These accounts were approved by the board on ... 24<sup>th</sup> March 2022 .....

..... M Griffiths .....

Dr M Griffiths  
Trustee and Director

The notes on pages 10 to 17 form part of these accounts.

# AREA 51 EDUCATION LTD

## Statement of Cash Flows

for the year ended 31 July 2021

|                                                  | Notes | 2021    | 2020    |
|--------------------------------------------------|-------|---------|---------|
|                                                  |       | £       | £       |
| <b>Cash flows from operating activities</b>      |       |         |         |
| Cash generated by operations                     | 22    | 479,352 | 41,527  |
| Interest paid                                    |       | -       | (213)   |
| <b>Net cash inflow from operating activities</b> |       | 479,352 | 41,314  |
| <b>Investing activities</b>                      |       |         |         |
| Proceeds on sale of tangible fixed assets        |       | 1,500   | -       |
| Purchase of tangible fixed assets                |       | (2,080) | (2,872) |
| Interest received                                |       | 35      | 484     |
| <b>Net cash used in investing activities</b>     |       | (545)   | (2,388) |
| <b>Financing activities</b>                      |       |         |         |
| Repayment of bank loans                          |       | -       | (5,100) |
| <b>Net cash used in financing activities</b>     |       | -       | (5,100) |
| <b>Net increase in cash and cash equivalents</b> |       | 478,807 | 33,826  |
| Cash and cash equivalents at beginning of year   |       | 403,432 | 369,606 |
| <b>Cash and cash equivalents at end of year</b>  | 23    | 882,239 | 403,432 |

The notes on pages 10 to 17 form part of these accounts.

Notes forming part of the Accounts

for the year ended 31 July 2021

---

**1 Principal Accounting Policies**

***Accounting Convention***

The accounts have been prepared under the historical cost convention, the Statement of Recommended Practice accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Act 2011. The accounts include the results of the charity's operations which are described in the Trustees' Annual Report.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The trustees consider that the charity exists for the purpose of the local public benefit as defined in section 4 of the Charities Act 2011.

***Going Concern***

Having considered the current and anticipated economic impact of Coronavirus on the charity's activities the Trustees have adopted the going concern basis of accounting in preparing the financial statements; the Trustees are satisfied the charity has sufficient reserves and access to the financial support necessary to meet working capital requirements and enable the company to remain in operational existence for the foreseeable future.

***Incoming Resources***

Total incoming resources as shown in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

***Resources Expended***

Expenditure is accounted for on an accruals basis, recognised when a liability is incurred, and classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

***Basic Financial Assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic Financial Liabilities***

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

***Depreciation***

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

|                        |                                    |
|------------------------|------------------------------------|
| Leasehold improvements | -straight line over the lease term |
| Plant and machinery    | -25% on written down value         |
| Fixtures and fittings  | -25% on written down value         |
| Motor vehicles         | -25% on written down value         |

***Impairment of Fixed Assets***

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Principal Accounting Policies (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed, if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**Government Grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**Fund Accounting - Unrestricted Funds**

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

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

**Fund Accounting - Restricted Funds**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is allocated to the fund.

**Retirement Benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**2 Judgements and Key Sources of Estimation Uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## Notes forming part of the Accounts

for the year ended 31 July 2021

**Judgements and Key Sources of Estimation Uncertainty (continued)****Key Sources of Estimation Uncertainty**

The estimates and assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

**Key Estimates**

Included within other creditors is a provision for dilapidation costs amounting to £50,000 (2020: £30,000). The trustees consider this is a prudent estimate of costs the charity will incur when they are required to vacate the premises. The trustees are not currently aware of when the lease on the premises will be terminated, however communications with the landlord provide reasonable assurance that notice will be served in the next few years.

**3 Ethical Standard - Provisions Available for Small Entities**

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the accounts.

**4 Turnover**

The turnover and operating surplus for the year was derived from the company's principal activity and arises solely in the United Kingdom.

**5 Incoming Resources from Charitable Activities**

|                          | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|--------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Full time courses        | 635,529                    | -                        | 635,529            | 880,290            |
| Education funding agency | 1,284,261                  | -                        | 1,284,261          | 1,013,641          |
|                          | <u>1,919,790</u>           | <u>-</u>                 | <u>1,919,790</u>   | <u>1,893,931</u>   |

**6 Incoming Resources from Donations**

|           | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Donations | <u>1,747</u>               | <u>-</u>                 | <u>1,747</u>       | <u>3,980</u>       |

**7 Investment Income**

|                        | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest received | <u>35</u>                  | <u>-</u>                 | <u>35</u>          | <u>484</u>         |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2021

|   |                                        |                            |                          |                    |                                   |
|---|----------------------------------------|----------------------------|--------------------------|--------------------|-----------------------------------|
| 8 | Other Income                           | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£                |
|   | Other grants received                  | 6,450                      | -                        | 6,450              | 10,000                            |
|   | Furlough income                        | 40,487                     | -                        | 40,487             | 40,291                            |
|   |                                        | <u>46,937</u>              | <u>-</u>                 | <u>46,937</u>      | <u>50,291</u>                     |
| 9 | Costs of Charitable Activities         | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>as restated<br>£ |
|   | Equipment and general purchases        | 58,213                     | -                        | 58,213             | 56,790                            |
|   | Learner transport and facilities hire  | 91,578                     | -                        | 91,578             | 120,816                           |
|   | Staff costs including employer's NI    | 1,161,919                  | -                        | 1,161,919          | 1,204,089                         |
|   | Subcontract labour                     | 166,092                    | -                        | 166,092            | 65,304                            |
|   | Staff training                         | 12,862                     | -                        | 12,862             | 29,573                            |
|   | Clothing costs                         | 2,371                      | -                        | 2,371              | -                                 |
|   | Rent and service charges               | 206,413                    | -                        | 206,413            | 183,082                           |
|   | Rates                                  | 24,513                     | -                        | 24,513             | 20,707                            |
|   | Insurance                              | 14,914                     | -                        | 14,914             | 15,768                            |
|   | Light and heat                         | 17,687                     | -                        | 17,687             | 15,535                            |
|   | Cleaning                               | 18,309                     | -                        | 18,309             | 16,322                            |
|   | Repairs and maintenance                | 20,434                     | -                        | 20,434             | 17,570                            |
|   | Dilapidation costs                     | 20,000                     | -                        | 20,000             | -                                 |
|   | Staff recruitment                      | 5,911                      | -                        | 5,911              | 20,796                            |
|   | Printing, postage and stationery       | 9,893                      | -                        | 9,893              | 7,974                             |
|   | Advertising                            | 122                        | -                        | 122                | 774                               |
|   | Telephone charges                      | 3,694                      | -                        | 3,694              | 3,579                             |
|   | Computer running costs                 | 1,173                      | -                        | 1,173              | 2,703                             |
|   | Hire of equipment                      | 7,083                      | -                        | 7,083              | 7,336                             |
|   | Motor vehicle leasing                  | 18,979                     | -                        | 18,979             | 8,284                             |
|   | Motor running costs                    | 6,986                      | -                        | 6,986              | 6,938                             |
|   | Travelling expenses                    | 2,173                      | -                        | 2,173              | 4,292                             |
|   | Entertaining                           | 823                        | -                        | 823                | 3,851                             |
|   | Legal and professional fees            | 20,777                     | -                        | 20,777             | 17,894                            |
|   | Bad and doubtful debts                 | -                          | -                        | -                  | 19,690                            |
|   | Penalties and fines                    | 34                         | -                        | 34                 | -                                 |
|   | Sundry expenses                        | 479                        | -                        | 479                | 1,056                             |
|   | Accountancy charges                    | 5,314                      | -                        | 5,314              | 4,380                             |
|   | Audit fee                              | 2,126                      | -                        | 2,126              | 1,680                             |
|   | Subscriptions                          | 6,338                      | -                        | 6,338              | 4,329                             |
|   | Amortisation of leasehold improvements | 6,154                      | -                        | 6,154              | 10,549                            |
|   | Depreciation of plant and machinery    | 1,435                      | -                        | 1,435              | 1,413                             |
|   | Depreciation of fixtures and fittings  | 1,347                      | 820                      | 2,167              | 2,845                             |
|   | Depreciation of motor vehicles         | -                          | -                        | -                  | 412                               |
|   | Profit on sale of intangible asset     | (261)                      | -                        | (261)              | -                                 |
|   |                                        | <u>1,915,885</u>           | <u>820</u>               | <u>1,916,705</u>   | <u>1,876,331</u>                  |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2021

### 10 Other Resources Expended

|               | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|---------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank charges  | 1,351                      | -                        | 1,351              | 1,614              |
| Bank interest | -                          | -                        | -                  | 213                |
|               | <u>1,351</u>               | <u>-</u>                 | <u>1,351</u>       | <u>1,827</u>       |

### 11 Staff Costs and Pensions

|                                 | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Wages and salaries              | 1,062,284                  | -                        | 1,062,284          | 1,082,515          |
| Employers N.I. contributions    | 80,257                     | -                        | 80,257             | 81,165             |
| Teachers' pension contributions | -                          | -                        | -                  | -                  |
| Staff pension contributions     | 19,378                     | -                        | 19,378             | 40,409             |
|                                 | <u>1,161,919</u>           | <u>-</u>                 | <u>1,161,919</u>   | <u>1,204,089</u>   |

No employee earned £60,000 or more. The average number of employees was 59 (2020: 57).

No employees participated in the Teachers' Pension Scheme. During the year ended 31 July 2021, pension contributions to the Teachers' Pension Scheme were £Nil (2020: £Nil).

### 12 Tax on Surplus on Ordinary Activities

The company is a registered charity and is not liable to corporation tax.

### 13 Tangible Fixed Assets

|                         | Leasehold<br>Improvements<br>£ | Plant and<br>Machinery<br>£ | Fixtures<br>and fittings<br>£ | Motor<br>Vehicles<br>£ | Total<br>£     |
|-------------------------|--------------------------------|-----------------------------|-------------------------------|------------------------|----------------|
| <b>Cost</b>             |                                |                             |                               |                        |                |
| At 1 August 2020        | 122,894                        | 22,245                      | 54,379                        | 4,000                  | 203,518        |
| Additions in the year   | -                              | 2,080                       | -                             | -                      | 2,080          |
| Disposal in the year    | -                              | -                           | -                             | (4,000)                | (4,000)        |
| At 31 July 2021         | <u>122,894</u>                 | <u>24,325</u>               | <u>54,379</u>                 | <u>-</u>               | <u>201,598</u> |
| <b>Depreciation</b>     |                                |                             |                               |                        |                |
| At 1 August 2020        | 116,740                        | 17,173                      | 45,564                        | 2,761                  | 182,238        |
| Charge for the year     | 6,154                          | 1,435                       | 2,167                         | -                      | 9,756          |
| Eliminated on disposals | -                              | -                           | -                             | (2,761)                | (2,761)        |
| At 31 July 2021         | <u>122,894</u>                 | <u>18,608</u>               | <u>47,731</u>                 | <u>-</u>               | <u>189,233</u> |
| <b>Net book value</b>   |                                |                             |                               |                        |                |
| At 31 July 2021         | <u>-</u>                       | <u>5,717</u>                | <u>6,648</u>                  | <u>-</u>               | <u>12,365</u>  |
| At 31 July 2020         | <u>6,154</u>                   | <u>5,073</u>                | <u>8,815</u>                  | <u>1,239</u>           | <u>21,281</u>  |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2021

| 14 | Financial Instruments                           | 2021<br>£ | 2020<br>as restated<br>£ |
|----|-------------------------------------------------|-----------|--------------------------|
|    | <b>Carrying amount of financial assets</b>      |           |                          |
|    | Measured at amortised cost                      | 157,276   | 442,770                  |
|    |                                                 | =====     | =====                    |
|    | <b>Carrying amount of financial liabilities</b> |           |                          |
|    | Measured at amortised cost                      | 239,658   | 60,659                   |
|    |                                                 | =====     | =====                    |
| 15 | <b>Debtors</b>                                  | 2021<br>£ | 2020<br>as restated<br>£ |
|    | Trade debtors                                   | 85,302    | 395,225                  |
|    | Other debtors                                   | 33,590    | 47,545                   |
|    | Prepayments                                     | 50,215    | 4,153                    |
|    | Accrued income                                  | 38,383    | -                        |
|    |                                                 | 207,490   | 446,923                  |
|    |                                                 | =====     | =====                    |

Other debtors totalling £32,073 (2020: £32,073) are recoverable after more than one year.

| 16 | Creditors: Amounts Falling Due Within One Year | 2021<br>£ | 2020<br>as restated<br>£ |
|----|------------------------------------------------|-----------|--------------------------|
|    | Trade creditors                                | 46,224    | 9,800                    |
|    | Taxation and social security                   | 18,704    | 42,006                   |
|    | Accruals                                       | 66,768    | 85,762                   |
|    | Provision for dilapidations                    | 50,000    | 30,000                   |
|    | Other creditors                                | 174,730   | 8,853                    |
|    |                                                | 356,426   | 176,421                  |
|    |                                                | =====     | =====                    |

## 17 Operating Lease Commitments

Operating lease payments represent rentals payable by the company for the lease of equipment and property.

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| Property              | 2021<br>£ | 2020<br>£ |
|-----------------------|-----------|-----------|
| In less than one year | 79,164    | 150,809   |
| In two to five years  | 285,660   | 285,660   |
| In over five years    | 261,855   | 333,270   |
|                       | =====     | =====     |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

for the year ended 31 July 2021

### Operating Lease Commitments (continued)

#### Vehicles

|                       | 2021<br>£ | 2020<br>£ |
|-----------------------|-----------|-----------|
| In less than one year | 15,208    | 6,314     |
| In two to five years  | 45,623    | -         |
|                       | =====     | =====     |

### 18 Reserves

|                    | Balance at<br>1 August<br>2020<br>as restated<br>£ | Movement in<br>the year<br>£ | Balance at<br>31 July<br>2021<br>£ |
|--------------------|----------------------------------------------------|------------------------------|------------------------------------|
| Unrestricted funds | 607,432                                            | 51,273                       | 658,705                            |
| Restricted funds   | 87,783                                             | (820)                        | 86,963                             |
|                    | =====                                              | =====                        | =====                              |
|                    | 695,215                                            | 50,453                       | 745,668                            |

### 19 Called Up Share Capital

The company is limited by guarantee and has no share capital. Under the provisions of the company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of debts of the company in the event of a deficiency of assets on winding up of the company.

### 20 Control

The charity has been controlled throughout the year by the trustees.

### 21 Related Party Transactions

During the year there were no related party transactions.

### 22 Cash Generated from Operations

|                                                      | 2021<br>£      | 2020<br>as restated<br>£ |
|------------------------------------------------------|----------------|--------------------------|
| Surplus for the year                                 | 50,453         | 70,528                   |
| <b>Adjustments for:</b>                              |                |                          |
| Finance costs                                        | -              | 213                      |
| Investment income                                    | (35)           | (484)                    |
| Depreciation and impairment of tangible fixed assets | 9,757          | 15,220                   |
| Profit on disposal of tangible fixed assets          | (261)          | -                        |
| <b>Movements in working capital:</b>                 |                |                          |
| Decrease/(Increase) in debtors                       | 239,433        | (109,674)                |
| Increase in creditors                                | 180,005        | 65,724                   |
|                                                      | =====          | =====                    |
| <b>Cash generated by operations</b>                  | <b>479,352</b> | <b>41,527</b>            |

# AREA 51 EDUCATION LTD

## Notes forming part of the Accounts

### for the year ended 31 July 2021

#### 23 Analysis of Changes in Net Funds

|                          | Balance at<br>1 August<br>2020<br>£ | Movement in<br>the year<br>£ | Balance at<br>31 July<br>2021<br>£ |
|--------------------------|-------------------------------------|------------------------------|------------------------------------|
| Cash at bank and in hand | 403,432<br>=====                    | 478,807<br>=====             | 882,239<br>=====                   |

#### 24 Prior Period Adjustment

Errors have been identified in the comparative period and adjustments have been made to rectify these errors as follows:

##### Trade Debtors

Trade debtors were understated by £35,226. The adjustment relates to periods prior to the year ended 31 July 2020. This resulted in an understatement of retained income funds of £35,226.

##### Trade Creditors

Trade creditors were overstated by £7,940. This resulted in an overstatement of administrative expenses by £6,452 and an understatement of retained income funds prior to the year end 31 July 2020 of £1,488.

#### Changes to the balance sheet

|                                      | As at 31 July 2020             |                 |                  |
|--------------------------------------|--------------------------------|-----------------|------------------|
|                                      | As previously<br>reported<br>£ | Adjustment<br>£ | As restated<br>£ |
| <b>Current assets</b>                |                                |                 |                  |
| Debtors                              | 411,697                        | 35,226          | 446,923          |
| <b>Creditors due within one year</b> |                                |                 |                  |
| Trade creditors                      | 17,740                         | (7,940)         | 9,800            |
|                                      |                                | 43,166<br>===== |                  |
| <b>Funds of the charity</b>          |                                |                 |                  |
| Unrestricted Income Funds            | 564,266                        | 43,166<br>===== | 607,432          |

#### Changes to the statement of financial activities

|                                 | Year Ended 31 July 2020        |                  |                  |
|---------------------------------|--------------------------------|------------------|------------------|
|                                 | As previously<br>reported<br>£ | Adjustment<br>£  | As restated<br>£ |
| <b>Total resources expended</b> | 1,884,610                      | (6,452)<br>===== | 1,878,158        |

---

# Accounts

---

---

**AREA 51 EDUCATION LIMITED**

**Report and Accounts**

**for the year ended 31 July 2020**

---

# **AREA 51 EDUCATION LIMITED**

## **Report and Accounts**

**for the year ended 31 July 2020**

### **INDEX**

---

#### **Page Number**

|          |                                      |
|----------|--------------------------------------|
| 1 to 3   | Trustees' (Directors') Annual Report |
| 4 to 6   | Auditors' Report                     |
| 7        | Statement of Financial Activities    |
| 8        | Balance Sheet                        |
| 9        | Statement of Cash Flows              |
| 10 to 16 | Notes forming part of the Accounts   |

#### **The following pages do not form part of the statutory accounts:**

|           |                                         |
|-----------|-----------------------------------------|
| 17 and 18 | Detailed Income and Expenditure Account |
|-----------|-----------------------------------------|

# **AREA 51 EDUCATION LIMITED**

## **Company Information**

**Company Number: 06724508**

**Charities Number: 1139447**

---

## **Registered Office**

1 Mallard Place  
Coburg Road  
London  
N22 6TS

## **Trustees and Directors**

Dr M Griffiths – Chairman and Secretary  
Mr D Stansell – Treasurer

## **Senior Staff**

Miss N Quarterman

## **Auditors**

Dickinsons  
Enterprise House  
Beeson's Yard  
Bury Lane  
Rickmansworth  
Hertfordshire  
WD3 1DS

## **Bankers**

National Westminster Bank Plc  
PO Box 4115  
Essex  
RM12 4DF

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2020**

---

**Trustees' Annual Report**

The trustees submit their report together with the audited accounts for the year ended 31 July 2020.

The accounts have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the memorandum and Articles of Association and 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). This report is also a directors' report as required by the Companies Act 2006, as all trustees are directors.

**Structure, Governance and Management**

The charity is constituted as a company, limited by guarantee, it does not have any share capital and it is governed by its Memorandum and Articles of Association.

The management of the charity is the responsibility of the trustees who are also appointed Directors of the company. New trustees are appointed on the recommendation of existing trustees and who are deemed to have appropriate experience and knowledge for the role.

There are no formal procedures for inducting new trustees, however, any new trustee appointed would be practically aware of the work undertaken by the Charity and support is always provided by the founding trustees.

Details of related party transactions, where applicable, can be found in the notes to the accounts.

The day to day running of the charity is undertaken by a senior staff member, Miss N Quarterman. Trustees meet on a regular basis to discuss performance and set targets for longer term goals.

**Objectives and Activities**

Area 51 Education Limited is a charitable organisation whose aims are:

1. To advance the education of people with learning difficulties and disabilities in the development of functional skills for life and work.
2. The elimination of discrimination on the basis of learning and/or physical disability.
3. The promotion of social inclusion among people with learning and/or physical disabilities and their families who are socially excluded from society or part of society as a result of their disabilities by:
  - i) Raising public awareness of the issues affecting people with learning and/or physical disabilities and their families, and;
  - ii) Providing a positive model for continuing education for people with learning and/or physical disabilities after compulsory school-leaving age.
4. To advance in life and help young people with learning and/or physical disabilities through providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.
5. To act as a resource for people with learning and/or physical disabilities living in the area of London by providing advice and assistance and organising programmes of physical, education and other activities by advancing education and relieving unemployment.
6. Providing recreational and leisure time activity in the interests of social welfare for people living within the area of benefit who have need by reason of their age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.
7. To promote the social and economic inclusion, for the public benefit, of people with learning and/or physical disabilities who are excluded as a result of their disability by providing opportunities for the development of employment in social enterprise companies.

**Trustees' (Directors') Annual Report**

**for the year ended 31 July 2020**

---

In shaping our objectives and planning our activities, the trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and have complied with section 4 of the Charities Act 2011.

The trustees consider that the charity exists for the purpose of the local public benefit within the North London Boroughs of Haringey, Hackney, Tower Hamlets, Enfield, Barnet, Waltham Forest, Islington and Camden.

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

**Risk Assessment**

In order to comply with the Statement of Recommended Practice for Charity Accounts (FRS 102) a review of the major risks to which the charity is exposed and the systems that have to be established to mitigate those risks has been carried out. The trustees receive regular reports and these are monitored on an ongoing basis at Board Level.

**Achievements and Performance**

The college has maintained the high standards achieved in its Ofsted report in 2016, undertaking a review of its assessment and recording processes to better reflect the achievements of its students in 2020. The college has developed new partnerships with Richard Cloudesley school to widen the range of opportunities available to its students. Work experience opportunities have been severely impacted over 19/20 due to the impact of the Coronavirus pandemic. Face to face teaching has also been reduced to shield many of our very vulnerable young people. The college has worked hard to develop online learning and remote teaching for its students and has provided additional services such as regular well-being checks for both students and staff.

**Future Developments and Strategies**

The college has experienced a set-back in its plans to develop the premises secured during 2019/20 due to the unexpectedly high costs of re-developing the site to the required standards and changes in the local development plans which are beyond the college's control. However, the lease on the college's current premises has been acquired by the Local Authority, which is expected to provide greater security and further options for alternative premises in the future. Whilst these options are being further explored, the new premises will be sub-let and the college continues to work with the Council and local stakeholders to identify solutions.

The college has plans to develop new provision in partnership with another local provider that will extend the scope of provision to include young people with complex physical disabilities and offer new pathways into work for this cohort. This provision will benefit the college as a whole through the opening up of new employment opportunities for young people with learning disabilities as well as introducing the college to a wider group of stakeholders and beneficiaries. The postponement of the college's move to new premises has enabled the college to focus on developing its adult provision and the pandemic has provided opportunities to explore the provision of online learning for people with learning difficulties, for whom this traditionally had not been offered.

**Financial Review**

The Statement of Financial Activities for the year is set out on page 7 of the accounts.

Income from full time courses has decreased marginally compared to the prior year at £880,290 for the year ending 31 July 2020 (2019: £938,246). Owing to its status as an Independent Specialist Provider, the charity received grants from the Education Funding Agency during the year amounting to £1,013,641 (2019: £988,044).

Staff costs are the charity's core costs in meeting its objectives; these have increased from £1,166,612 in the prior year to £1,204,089.

A provision of £30,000 remains in the accounts for dilapidation costs on the current premises as it is the intention to relocate in the near future.

The results show a surplus for the year of £64,076 (2019: £107,770).

**Statement of Trustees' Responsibilities**

Company law requires the trustees to prepare accounts for each financial period which, give a true and fair view of the state of affairs of the company and of the surplus for that period. In preparing those accounts the directors are required to:

## AREA 51 EDUCATION LIMITED

### Trustees' (Directors') Annual Report

for the year ended 31 July 2020

---

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- 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 accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure the accounts have been properly prepared in accordance with the provisions of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the trustees' are aware, there is no relevant audit information of which the company's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Legal and Administrative Information

Area 51 Education Limited, also known as The John Dewey Specialist College is limited by guarantee and has no share capital.

Under the provisions of the company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of the debts of the company in the event of a deficiency of assets on a winding up of the company.

The company is a registered charity under the Charities Act 2011 with registration number 1139447. The Company Number is 06724508.

#### Reserves Policy

The Trustees have established a policy to maintain reserves at a level sufficient to secure funding for suitable, long term premises when these can be found.

As at 31 July 2020 unrestricted reserves amounted to £564,266 (2019: £509,334) and restricted reserves amounted to £87,783 (2019: £78,639).

#### Trustees and Directors

The trustees, and also directors, who served during the year, were as follows:

Dr M Griffiths  
Mr D Stansell

#### Auditors

The Auditors, Dickinsons Chartered Accountants have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

#### Exemption Statement

The accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

By Order of the Board:

  
.....  
Dr M Griffiths  
Trustee and Director

27 March 2021  
.....  
Date

# **AREA 51 EDUCATION LIMITED**

## **Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2020**

---

### **Opinion**

We have audited the financial statements of Area 51 Education Ltd for the year ended 31 July 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes 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 company's affairs as at 31 July 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 3 to the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' (who are also directors' of the charitable company for the purpose of company law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' (who are also directors' of the charitable company for the purpose of company law) have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Independent Auditors' Report to the Trustees**

**for the year ended 31 July 2020**

---

**Matters on which we are required to report by exception**

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

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

- adequate and proper 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' 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 pages 2-3, the trustees (who are also the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under s144 of Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## AREA 51 EDUCATION LIMITED

### Independent Auditors' Report to the Trustees

**for the year ended 31 July 2020**

---

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

#### Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to the, 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 company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Dominic Cader (Senior statutory auditor)**  
**for and on behalf of Dickinsons, Statutory Auditor**

Enterprise House  
Beeson's Yard  
Bury Lane  
Rickmansworth  
Hertfordshire  
WD3 1DS

21 April 2021  
.....  
Date

# AREA 51 EDUCATION LIMITED

## Statement of Financial Activities

for the year ended 31 July 2020

|                                    | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2020<br>Total Funds<br>£ | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2019<br>Total Funds<br>£ |
|------------------------------------|-------|----------------------------|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|
| <b>Incoming Resources</b>          |       |                            |                          |                          |                            |                          |                          |
| Charitable activities              | 5     | 1,883,381                  | 10,550                   | 1,893,931                | 1,909,895                  | 16,395                   | 1,926,290                |
| Donations                          | 6     | 3,980                      | -                        | 3,980                    | 13,257                     | -                        | 13,257                   |
| Investment income                  | 7     | 484                        | -                        | 484                      | 482                        | -                        | 482                      |
| Other income                       | 8     | 50,291                     | -                        | 50,291                   | -                          | -                        | -                        |
| <b>Total Incoming Resources</b>    |       | <u>1,938,136</u>           | <u>10,550</u>            | <u>1,948,686</u>         | <u>1,923,634</u>           | <u>16,395</u>            | <u>1,940,029</u>         |
| <b>Resources Expended</b>          |       |                            |                          |                          |                            |                          |                          |
| Costs of charitable activities     | 9     | 1,881,377                  | 1,406                    | 1,882,783                | 1,826,659                  | 3,274                    | 1,829,933                |
| Other resources expended           | 10    | 1,827                      | -                        | 1,827                    | 2,326                      | -                        | 2,326                    |
| <b>Total Resources Expended</b>    |       | <u>1,883,204</u>           | <u>1,406</u>             | <u>1,884,610</u>         | <u>1,828,985</u>           | <u>3,274</u>             | <u>1,832,259</u>         |
| <b>Net Movements in Funds</b>      |       | <u>54,932</u>              | <u>9,144</u>             | <u>64,076</u>            | <u>94,649</u>              | <u>13,121</u>            | <u>107,770</u>           |
| <b>Reconciliation of Funds</b>     |       |                            |                          |                          |                            |                          |                          |
| Total Funds at 1 August 2019       |       | 509,334                    | 78,639                   | 587,973                  | 414,685                    | 65,518                   | 480,203                  |
| Net Movement in Funds              |       | 54,932                     | 9,144                    | 64,076                   | 94,649                     | 13,121                   | 107,770                  |
| <b>Total Funds at 31 July 2020</b> | 18    | <u>564,266</u>             | <u>87,783</u>            | <u>652,049</u>           | <u>509,334</u>             | <u>78,639</u>            | <u>587,973</u>           |

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

All income and expenditure is derived from continuing activities.

*The notes on pages 10 to 16 form part of these accounts*

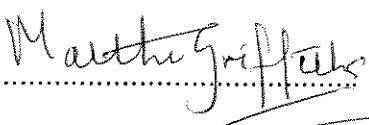
## Balance Sheet

Charity Number: 1139447

as at 31 July 2020

|                                              | Notes | As at<br>31 July<br>2020 | As at<br>31 July<br>2019 |
|----------------------------------------------|-------|--------------------------|--------------------------|
|                                              |       | £                        | £                        |
| <b>Fixed Assets</b>                          |       |                          |                          |
| Tangible fixed assets                        | 13    | 21,281                   | 33,629                   |
| <b>Current Assets</b>                        |       |                          |                          |
| Debtors                                      | 15    | 411,697                  | 302,023                  |
| Cash at bank and in hand                     |       | 403,432                  | 369,606                  |
|                                              |       | <u>815,129</u>           | <u>671,627</u>           |
| <b>Creditors:</b>                            |       |                          |                          |
| Amounts falling due within one year          | 16    | (184,361)                | (117,285)                |
| <b>Net current assets</b>                    |       | <u>630,768</u>           | <u>554,344</u>           |
| <b>Total assets less current liabilities</b> |       | <u><u>652,049</u></u>    | <u><u>587,973</u></u>    |
| <b>Funds of the Charity</b>                  |       |                          |                          |
| Restricted Income Funds                      | 18    | 87,783                   | 78,639                   |
| Unrestricted Income Funds                    | 18    | 564,266                  | 509,334                  |
| <b>Total funds</b>                           |       | <u><u>652,049</u></u>    | <u><u>587,973</u></u>    |

These accounts were approved by the board on 20 April 2021



Dr M Griffiths  
Trustee and Director

The notes on pages 10 to 16 form part of these accounts.

# AREA 51 EDUCATION LIMITED

## Statement of Cash Flows

for the year ended 31 July 2020

|                                                  | Notes | £       | 2020           | £        | 2019           | £ |
|--------------------------------------------------|-------|---------|----------------|----------|----------------|---|
| <b>Cash flows from operating activities</b>      |       |         |                |          |                |   |
| Cash generated by operations                     | 22    | 41,527  |                | 185,036  |                |   |
| Interest paid                                    |       | (213)   |                | (289)    |                |   |
| <b>Net cash inflow from operating activities</b> |       |         | 41,314         |          | 184,747        |   |
| <b>Investing activities</b>                      |       |         |                |          |                |   |
| Purchase of tangible fixed assets                |       | (2,872) |                | (10,448) |                |   |
| Interest received                                |       | 484     |                | 481      |                |   |
| <b>Net cash used in investing activities</b>     |       |         | (2,388)        |          | (9,967)        |   |
| <b>Financing activities</b>                      |       |         |                |          |                |   |
| Repayment of bank loans                          |       | (5,100) |                | (6,800)  |                |   |
| <b>Net cash used in financing activities</b>     |       |         | (5,100)        |          | (6,800)        |   |
| <b>Net increase in cash and cash equivalents</b> |       |         | 33,826         |          | 167,980        |   |
| Cash and cash equivalents at beginning of year   |       |         | 369,606        |          | 201,626        |   |
| <b>Cash and cash equivalents at end of year</b>  | 23    |         | <u>403,432</u> |          | <u>369,606</u> |   |

*The notes on pages 10 to 16 form part of these accounts.*

**1 Principal Accounting Policies**

***Accounting Convention***

The accounts have been prepared under the historical cost convention, the Statement of Recommended Practice accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Act 2011. The accounts include the results of the charity's operations which are described in the Trustees' Annual Report.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The trustees consider that the charity exists for the purpose of the local public benefit as defined in section 4 of the Charities Act 2011.

***Going concern***

Having considered the current and anticipated economic impact of Coronavirus on the charity's activities the Trustees have adopted the going concern basis of accounting in preparing the financial statements; the Trustees are satisfied the charity has sufficient reserves and access to the financial support necessary to meet working capital requirements and enable the company to remain in operational existence for the foreseeable future.

***Incoming Resources***

Total incoming resources as shown in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

***Resources Expended***

Expenditure is accounted for on an accruals basis, recognised when a liability is incurred, and classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

***Basic Financial Assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic Financial Liabilities***

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

***Depreciation***

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

|                        |                                    |
|------------------------|------------------------------------|
| Leasehold improvements | -straight line over the lease term |
| Plant and machinery    | -25% on written down value         |
| Fixtures and fittings  | -25% on written down value         |
| Motor vehicles         | -25% on written down value         |

***Impairment of Fixed Assets***

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Principal Accounting Policies (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed, if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

***Leases***

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

***Government Grants***

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

***Fund Accounting - Unrestricted Funds***

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

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

***Fund Accounting - Restricted Funds***

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is allocated to the fund.

***Retirement Benefits***

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

***Employee Benefits***

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**2 Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# AREA 51 EDUCATION LIMITED

## Notes forming part of the Accounts

for the year ended 31 July 2020

### 2 Judgements and key sources of estimation uncertainty

#### *Key sources of estimation uncertainty*

The estimates and assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

#### *Key estimates*

Included within other creditors is a provision for dilapidation costs amounting to £30,000 (2019: £30,000). The trustees consider this is a prudent estimate of costs the charity will incur when they are required to vacate the premises. The trustees are not currently aware of when the lease on the premises will be terminated, however communications with the landlord provide reasonable assurance that notice will be served in the next few years.

### 3 Ethical Standard - Provisions available for small entities

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the accounts.

### 4 Turnover

The turnover and operating surplus for the year was derived from the company's principal activity and arises solely in the United Kingdom.

### 5 Incoming Resources from Charitable Activities

|                          | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|--------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Full time courses        | 880,290                    | -                        | 880,290            | 938,246            |
| Education Funding Agency | 1,003,091                  | 10,550                   | 1,013,641          | 988,044            |
|                          | <u>1,883,381</u>           | <u>10,550</u>            | <u>1,893,931</u>   | <u>1,926,290</u>   |

### 6 Incoming Resources from Donations

|           | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Donations | <u>3,980</u>               | <u>-</u>                 | <u>3,980</u>       | <u>13,257</u>      |

### 7 Investment Income

|                        | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest received | <u>484</u>                 | <u>-</u>                 | <u>484</u>         | <u>482</u>         |

# AREA 51 EDUCATION LIMITED

## Notes forming part of the Accounts

for the year ended 31 July 2020

|           |                                        |                                     |                                   |                             |                             |
|-----------|----------------------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| <b>8</b>  | <b>Other Income</b>                    | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
|           | Government grant received              | 10,000                              | -                                 | 10,000                      | -                           |
|           | Furlough income                        | 40,291                              | -                                 | 40,291                      | -                           |
|           |                                        | <u>50,291</u>                       | <u>-</u>                          | <u>50,291</u>               | <u>-</u>                    |
| <b>9</b>  | <b>Costs of Charitable Activities</b>  | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
|           | Equipment and general purchases        | 59,790                              | -                                 | 59,790                      | 70,540                      |
|           | Learner transport and facilities hire  | 120,816                             | -                                 | 120,816                     | 115,836                     |
|           | Staff costs including employer's NI    | 1,204,089                           | -                                 | 1,204,089                   | 1,166,612                   |
|           | Subcontract labour                     | 66,679                              | -                                 | 66,679                      | 120,890                     |
|           | Staff training                         | 29,573                              | -                                 | 29,573                      | 23,662                      |
|           | Rent and service charges               | 183,082                             | -                                 | 183,082                     | 133,190                     |
|           | Rates                                  | 21,372                              | -                                 | 21,372                      | 11,937                      |
|           | Insurance                              | 15,913                              | -                                 | 15,913                      | 16,048                      |
|           | Light and heat                         | 15,535                              | -                                 | 15,535                      | 14,329                      |
|           | Cleaning                               | 17,589                              | -                                 | 17,589                      | 20,889                      |
|           | Repairs and maintenance                | 17,570                              | -                                 | 17,570                      | 18,329                      |
|           | Staff recruitment                      | 20,796                              | -                                 | 20,796                      | 4,630                       |
|           | Printing, postage and stationery       | 7,974                               | -                                 | 7,974                       | 9,298                       |
|           | Advertising                            | 774                                 | -                                 | 774                         | 755                         |
|           | Telephone charges                      | 3,579                               | -                                 | 3,579                       | 3,675                       |
|           | Computer running costs                 | 2,703                               | -                                 | 2,703                       | 6,746                       |
|           | Hire of equipment                      | 7,336                               | -                                 | 7,336                       | 8,925                       |
|           | Motor vehicle leasing                  | 8,284                               | -                                 | 8,284                       | 8,419                       |
|           | Motor running costs                    | 6,938                               | -                                 | 6,938                       | 9,422                       |
|           | Travelling expenses                    | 4,292                               | -                                 | 4,292                       | 1,739                       |
|           | Entertaining                           | 3,851                               | -                                 | 3,851                       | 1,446                       |
|           | Legal and professional fees            | 17,894                              | -                                 | 17,894                      | 1,542                       |
|           | Bad and doubtful debts                 | 19,690                              | -                                 | 19,690                      | 27,168                      |
|           | Sundry expenses                        | 1,056                               | -                                 | 1,056                       | 566                         |
|           | Accountancy charges                    | 4,380                               | -                                 | 4,380                       | 4,183                       |
|           | Audit fee                              | 1,680                               | -                                 | 1,680                       | 1,610                       |
|           | Charitable donations                   | -                                   | -                                 | -                           | 100                         |
|           | Subscriptions                          | 4,329                               | -                                 | 4,329                       | 3,499                       |
|           | Amortisation of leasehold improvements | 10,549                              | -                                 | 10,549                      | 18,358                      |
|           | Depreciation of plant and machinery    | 1,413                               | -                                 | 1,413                       | 1,444                       |
|           | Depreciation of fixtures and fittings  | 1,439                               | 1,406                             | 2,845                       | 3,595                       |
|           | Depreciation of motor vehicles         | 412                                 | -                                 | 412                         | 551                         |
|           |                                        | <u>1,881,377</u>                    | <u>1,406</u>                      | <u>1,882,783</u>            | <u>1,829,933</u>            |
| <b>10</b> | <b>Other Resources Expended</b>        | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
|           | Bank charges                           | 1,614                               | -                                 | 1,614                       | 2,037                       |
|           | Bank interest                          | 213                                 | -                                 | 213                         | 166                         |
|           | Bank loan interest                     | -                                   | -                                 | -                           | 123                         |
|           |                                        | <u>1,827</u>                        | <u>-</u>                          | <u>1,827</u>                | <u>2,326</u>                |

# AREA 51 EDUCATION LIMITED

## Notes forming part of the Accounts

for the year ended 31 July 2020

### 11 Staff Costs and Pensions

|                                 | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2020<br>£ | Total<br>2019<br>£ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Wages and salaries              | 1,082,515                  | -                        | 1,082,515          | 1,063,859          |
| Employers N.I. contributions    | 81,165                     | -                        | 81,165             | 82,380             |
| Teachers' pension contributions | -                          | -                        | -                  | 9,367              |
| Staff pension contributions     | 40,409                     | -                        | 40,409             | 11,006             |
|                                 | <u>1,240,089</u>           | <u>-</u>                 | <u>1,240,089</u>   | <u>1,166,612</u>   |

No employee earned £60,000 or more. The average number of employees was 57 (2019: 56).

No employees participated in the Teachers' Pension Scheme. During the year ended 31 July 2020, pension contributions to the Teachers' Pension Scheme were £Nil (2019: £9,367).

### 12 Tax on surplus on ordinary activities

The company is a registered charity and is not liable to corporation tax.

### 13 Tangible fixed assets

|                       | Leasehold<br>Improvements<br>£ | Plant and<br>Machinery<br>£ | Fixtures<br>and fittings<br>£ | Motor<br>Vehicles<br>£ | Total<br>£     |
|-----------------------|--------------------------------|-----------------------------|-------------------------------|------------------------|----------------|
| <b>Cost</b>           |                                |                             |                               |                        |                |
| At 1 August 2019      | 112,894                        | 20,196                      | 53,557                        | 4,000                  | 200,647        |
| Additions in the year | -                              | 2,050                       | 822                           | -                      | 2,872          |
| At 31 July 2020       | <u>122,894</u>                 | <u>22,246</u>               | <u>54,379</u>                 | <u>4,000</u>           | <u>203,519</u> |
| <b>Depreciation</b>   |                                |                             |                               |                        |                |
| At 1 August 2019      | 106,191                        | 15,760                      | 42,719                        | 2,348                  | 167,018        |
| Charge for the year   | 10,549                         | 1,413                       | 2,845                         | 413                    | 15,220         |
| At 31 July 2020       | <u>116,740</u>                 | <u>17,173</u>               | <u>45,564</u>                 | <u>2,761</u>           | <u>182,238</u> |
| <b>Net book value</b> |                                |                             |                               |                        |                |
| At 31 July 2020       | <u>6,154</u>                   | <u>5,073</u>                | <u>8,815</u>                  | <u>1,239</u>           | <u>21,281</u>  |
| At 31 July 2019       | <u>16,703</u>                  | <u>4,436</u>                | <u>10,838</u>                 | <u>1,652</u>           | <u>33,629</u>  |

# AREA 51 EDUCATION LIMITED

## Notes forming part of the Accounts

for the year ended 31 July 2020

| 14 | Financial Instruments                           | 2020<br>£ | 2019<br>£ |
|----|-------------------------------------------------|-----------|-----------|
|    | <b>Carrying amount of financial assets</b>      |           |           |
|    | Measured at amortised cost                      | 407,544   | 149,122   |
|    |                                                 | =====     | =====     |
|    | <b>Carrying amount of financial liabilities</b> |           |           |
|    | Measured at amortised cost                      | 68,599    | 81,525    |
|    |                                                 | =====     | =====     |
| 15 | Debtors                                         | 2020<br>£ | 2019<br>£ |
|    | Trade debtors                                   | 359,999   | 105,371   |
|    | Other debtors                                   | 47,545    | 43,754    |
|    | Prepayments                                     | 4,153     | 30,721    |
|    | Accrued income                                  | -         | 122,177   |
|    |                                                 | 411,697   | 302,023   |
|    |                                                 | =====     | =====     |

Other debtors totalling £32,073 (2019: £32,073) are recoverable after more than one year.

| 16 | Creditors: Amounts falling due within one year | 2020<br>£ | 2019<br>£ |
|----|------------------------------------------------|-----------|-----------|
|    | Bank loan instalments (secured)                | -         | 5,100     |
|    | Trade creditors                                | 17,740    | 19,443    |
|    | Taxation and social security                   | 42,006    | 17,452    |
|    | Accruals                                       | 85,762    | 5,760     |
|    | Provision for dilapidations                    | 30,000    | 30,000    |
|    | Other creditors                                | 8,853     | 39,530    |
|    |                                                | 184,361   | 117,285   |
|    |                                                | =====     | =====     |

The bank loan is secured by way of a fixed and floating charge over the assets of the company.

## 17 Operating Lease Commitments

Operating lease payments represent rentals payable by the company for the lease of equipment and property.

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                       | 2020<br>£ | 2019<br>£ |
|-----------------------|-----------|-----------|
| In less than one year | 174,419   | 106,427   |
| In two to five years  | 261,852   | 30,996    |
| In over five years    | 1,065,276 | -         |
|                       | =====     | =====     |

# AREA 51 EDUCATION LIMITED

## Notes forming part of the Accounts

for the year ended 31 July 2020

### 18 Reserves

|                    | Balance at<br>1 August<br>2019<br>£ | Movement in<br>the year<br>£ | Balance at<br>31 July<br>2020<br>£ |
|--------------------|-------------------------------------|------------------------------|------------------------------------|
| Unrestricted funds | 509,334                             | 54,932                       | 564,266                            |
| Restricted funds   | 78,639                              | 9,144                        | 87,783                             |
|                    | <u>587,973</u>                      | <u>64,076</u>                | <u>652,049</u>                     |

### 19 Called up share capital

The company is limited by guarantee and has no share capital. Under the provisions of the company's memorandum of association, each member would be required to contribute a sum not exceeding £1 for the payment of debts of the company in the event of a deficiency of assets on winding up of the company.

### 20 Control

The charity has been controlled throughout the year by the trustees.

### 21 Related Party Transactions

During the year there were no related party transactions.

### 22 Cash generated from operations

|                                                      | 2020<br>£     | 2019<br>£      |
|------------------------------------------------------|---------------|----------------|
| Surplus for the year                                 | 64,076        | 107,770        |
| <b>Adjustments for:</b>                              |               |                |
| Finance costs                                        | 213           | 289            |
| Investment income                                    | (484)         | (481)          |
| Depreciation and impairment of tangible fixed assets | 15,220        | 23,948         |
| <b>Movements in working capital:</b>                 |               |                |
| (Increase)/Decrease in debtors                       | (109,674)     | 72,649         |
| Increase/(Decrease) in creditors                     | 72,176        | (19,139)       |
| <b>Cash generated by operations</b>                  | <u>41,527</u> | <u>185,036</u> |

### 23 Analysis of changes in net funds

|                                 | Balance at<br>1 August<br>2019<br>£ | Movement in<br>the year<br>£ | Balance at<br>31 July<br>2020<br>£ |
|---------------------------------|-------------------------------------|------------------------------|------------------------------------|
| Cash at bank and in hand        | 369,606                             | 33,826                       | 403,432                            |
| Borrowings excluding overdrafts | (5,100)                             | 5,100                        | -                                  |
|                                 | <u>364,506</u>                      | <u>38,926</u>                | <u>403,432</u>                     |