

AVANTI EDUCATION LIMITED
(A Company Limited by Guarantee)
Company No. 11108035
Charity No. 1187834

Trustees' report and financial statements

For the year ended

31 August 2020

Also known as Little Avanti

AVANTI EDUCATION LIMITED
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FOR THE YEAR ENDED 31 AUGUST 2020

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AVANTI EDUCATION LIMITED
MEMBERS OF THE BOARD AND PROCESSIONAL ADVISERS

Registered charity name	AVANTI EDUCATION LIMITED
Charity number	1187834
Company registration number	11108035
Registered office	21 Brinkbrim Gardens Edgware HA8 5 PL
Trustees	Ms Kirti Butkovic Mr Kishan Paun Mr Yuvrajsinh Rana
Independent examiners	Khariwal Associates 35 Bedford Road Moor Park HA6 2AX

The trustees, who are also directors for the purposes of company law, present their report and the unaudited accounts of the charity for the year ended 31 August 2020.

The trustees confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the accounts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Avanti Education Limited is a charitable company limited by guarantee, incorporated on 12 Dec 2017. It became a UK registered charity on 10 February 2020, registration number 1187834. The charity is governed by our memorandum and articles of associations as amended on 30 Jan 2020. It has a sole member Avanti Foundation Limited, who is the parent company.

The charity has a Board of Trustees formed by votes which are based on experience and 'value add'. All Board members consequently work together to ensure the objectives of the charity are met, in order to better meet the respective purposes of the charities.

The charity has a Board of Trustees who work together to make decisions in line with the charity's objectives. Both existing and potential trustees need to demonstrate understanding and ability to meet needs and demands of the organisation and are recommended and consented to the Board accordingly.

Day to day affairs are undertaken by a managing agent on behalf of the trustees. All major decisions are considered and undertaken by the trustees collaboratively. The trustees are unpaid and give their time freely. Any related party transactions are disclosed as applicable in the notes to the accounts.

OBJECTIVES AND ACTIVITIES

The objectives of the charity are: to advance education for the public benefit in the United Kingdom, and such other areas of the world as the trustees shall from time to time determine, in particular by; providing day care and learning-orientated activities for pre-school infants and children, including through the establishment of OFSTED registered pre-school centres/nurseries; supporting and promoting training in the area of child care and education; and making grants of financial assistance to (i) help establish (and to support existing) OFSTED registered pre-school centres/nurseries and/or (ii) support and promote training in the area of child care and education.

The Charity currently has two settings open. Further settings were being considered but the trustees decided against pursuing this whilst the effects of the Coronavirus pandemic are being felt. The Charity hopes to continue to grow its provisions for pre-school children in the UK in the next year.

PUBLIC BENEFIT

The charity has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing of aims and objectives and in planning our future activities. The charity consider that the charity's aims are demonstrably to the public benefit.

ACHIEVEMENTS AND PERFORMANCE

The charity received a long-term loan which was used to fund the opening and running of two nursery settings; Little Avanti Stanmore and Little Avanti Aldenham (from September 2019 and January 2020 respectively).

Both settings required additional investments and resources to ensure the setting was a safe and engaging environment for the children upon opening. The outdoor education provisions are a unique selling point for the settings and trustees would like to build on this.

There was a slower than expected but steady uptake of children's numbers and staffing was ramped up in line with growth.

Ofsted registrations were obtained in June 2019 and both settings are currently awaiting their first inspection.

Coronavirus

Due to Coronavirus there was loss of income due to unpaid fees (changing family circumstances), lockdown closures and a general reluctance of parents to send their children in once opening was permitted. This was somewhat mitigated by local council and government grants, however, lockdowns have directly impacted on the growth of pupil numbers.

The trustees also made decisions to consolidate expenses, changed the management structure and increased the volunteer base in order to reduce the financial impact of the Coronavirus. This allowed more necessary spend on outdoor learning, health and safety equipment, increased staffing costs due to isolations/sickness and cleaning.

The trustees would like to acknowledge and thank the various stakeholders who worked with the management to ensure suitable solutions were found to navigate the challenges faced during the year.

PLANS FOR THE FUTURE

The **charity's main aspirations are** to continue to follow its core objectives throughout the forthcoming years and build on the progress made to date.

FINANCIAL REVIEW

The charities affairs and activities for the period are presented in the financial statement set out on page 6 and the financial position at the end of the period is set out on page 7.

RESERVES POLICY

The Charity's reserves policy continues to be that of ensuring that the total unrestricted fund held within the general reserves are equal to three months of budgeted unrestricted expenditure, thus ensuring that the organisation would be able to wind up its affairs efficiently if faced with financial difficulties. At year end, the charity had free reserve of £231k for operating costs. The charity is being supported by £500k of long term loans.

GOING CONCERN

We have adequate financial resources and have the structures in place to manage the business risks. In addition, our annual budgeting and forecasting processes have taken into consideration the current economic climate and its potential impact on both our various sources of income and expenditure.

We have a reasonable expectation that we have adequate resources and control mechanisms to continue in operational existence for the foreseeable future. Further, we believe that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern.

RISK STATEMENT

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

The principle risks are financial including items such as reduction in student numbers and loss of income receivable. The trustees plan to manage these risks by maintaining a high standard of education and governance of the nursery to ensure it is well run.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

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

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report has been approved by the trustees and signed on their behalf by;



Mr Yuvrajsinh Rana
Trustee

26 August 2021

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

M Khariwal ACCA
Khariwal Associates Limited
35 Bedford Road
Moor Park
HA6 2AX

26 August 2021

AVANTI EDUCATION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	<i>Total Funds 2019 £</i>
	Note				
INCOME					
Income from:					
Donations and legacies	2	10,000	-	10,000	453
Charitable income		183,393	-	183,393	200
Investments: Bank interest		-	-	-	-
Other income		24,820	-	24,820	-
Grant income		-	-	-	-
TOTAL INCOME		218,213	-	218,213	653
EXPENDITURE					
Expenditure on:					-
Charitable Activities:		436,238	-	436,238	56,127
TOTAL EXPENDITURE	3	436,238	-	436,238	56,127
Net income / (expenditure) & Net movement in funds		(218,025)	-	(218,025)	(55,474)
Funds brought forward	10	(50,474)	-	(50,474)	5,000
Funds carried forward	10	(268,499)	-	(268,499)	(50,474)

All of the above results are derived from continuing activities.

There were no recognised gains and losses other than those stated above.

All transaction included in the comparative Statement of Financial Activities were unrestricted.

The annexed notes form part of these financial statements.

AVANTI EDUCATION LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	£	2020 £	£	2019 £
CURRENT ASSETS					
Debtors	8	15,076		16,581	
Cash at bank and in hand		<u>306,615</u>		<u>357,277</u>	
		321,691		373,858	
Creditors: amounts falling due within one year	9	(89,775)		(24,331)	
NET CURRENT ASSETS			231,916		349,526
Creditors: amounts falling due after more than one year:	9		(500,415)		(400,000)
NET ASSETS			<u>(268,499)</u>		<u>(50,474)</u>
FUNDS					
Restricted funds	10		-		-
Unrestricted funds					
Designated funds	10	-		-	
General fund	10	<u>(268,499)</u>		<u>(50,474)</u>	
Total unrestricted funds			(268,499)		(50,474)
			<u>(268,499)</u>		<u>(50,474)</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The trustees acknowledge their responsibilities for complying with the requirement of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

The financial statements were approved, and authorised for issue, by the trustees on 26 August 2021 and signed on their behalf by:-



Mr Yuvrajsinh Rana
Trustee

Company registration no. 11108035

The annexed notes form part of these financial statements.

1. ACCOUNTING POLICIES

Statement of Compliance

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

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

General Information

The Charity is a private company limited by guarantee, incorporated in England and Wales (company number: 11108035) and a charity registered in England and Wales (charity number: 1187834). The Charity's registered office address :21 Brinkbum Gardens, Edgware HA8 5PL.

Going concern

The charity has net liabilities of £268,499 which are being supported by long term loans of £500,415.

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include preparing forecasts and long term business strategy. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The financial statements do not include adjustments that would result of the charity was unable to continue as a going concern, if the loans were recalled.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Subscription income is recognised in the period for which the subscription relates to.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1. ACCOUNTING POLICIES (continued)

Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between the direct activities of the charity on the basis of staff time.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1. ACCOUNTING POLICIES (continued)

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

	2020	2019
	£	£
Financial assets at amortised cost (a)	15,076	16,581
Financial liabilities at amortised cost (b)	<u>69,572</u>	<u>11,831</u>

(a) comprising all debtors as detailed in Note 8, other than prepayments.

(b) comprising all creditors as detailed per Note 9, other than deferred income and taxation and social security.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Pensions

The charity provides a defined contribution pension scheme to current employees, the assets of which are held separately from those of the company in an independently administered fund with The National Employment Savings Trust. Contributions are charged to expenditure as they fall due.

Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Significant judgments and sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to depreciation rates.

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Donations	10,000	-	10,000	453
Legacies	-	-	-	-
	10,000	-	10,000	453

3. EXPENDITURE

CURRENT YEAR

	Direct Staff costs £	Direct costs £	Support costs £	Total 2020 £	Total 2019 £
Charitable activities:					
Education	#VALUE!	258,920	-	#VALUE!	31,204
Other	-	10,302	750	11,052	24,923
	#VALUE!	269,222	750	#VALUE!	56,127

PRIOR YEAR

	Direct Staff costs £	Direct costs £	Support costs £	Total 2019 £
Charitable activities:				
Education	1,564	53,813	-	55,377
Other	-	-	750	750
	1,564	53,813	750	56,127

Details of support costs are given in Note 4.

4. SUPPORT COSTS

	2020 £	2019 £
Governance costs:		
Trustee meetings	-	-
Examination fee for the year	750	750

5. NET INCOME FOR THE YEAR

This is stated after charging:	2020 £	2019 £
Examination fee for the year	750	750

6. EMPLOYEE AND KEY MANAGEMENT PERSONNEL

The key management personnel of the Charity comprise the trustees ("Directors" for the purposes of the Companies Act) and Senior Management Team. The total amounts paid in respect of the key management personnel of the Charity (including employer's National Insurance contributions and employer's pension contributions) were £nil (2019: £nil). None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

	2020 £	2019 £
The aggregate payroll costs were:		
Wages and salaries	151,679	1,564
Social security costs	11,544	-
Employer pension contributions	3,043	-
	166,266	1,564

No employees earning over £60,000 in the year (2019: none)

No trustees were reimbursed any expenses in the year or the previous year.

The average monthly number of staff employed by the Charity during the financial year amounted to:

	2020 No.	2019 No.
Other	6.0	1.0
	6.0	1.0

7. TAXATION

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8. DEBTORS

	2020	2019
	£	£
Trade debtors	1,058	-
Other debtors	14,018	16,581
	<u>15,076</u>	<u>16,581</u>

9. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	20,816	3,358
Taxation and social security	1,130	1,271
Pension payable	1,276	-
Other creditors	46,350	7,203
Accruals	20,203	12,500
	<u>89,775</u>	<u>24,331</u>

9. CREDITORS: amounts falling due over one year (continued)

	2020	2019
	£	£
Loans	500,415	400,000
	<u>500,415</u>	<u>400,000</u>

10. STATEMENT OF FUNDS - CURRENT YEAR

SUMMARY OF FUNDS IN THE YEAR

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
General fund	(50,474)	218,213	(436,238)	-	(268,499)
Designated funds	-	-	-	-	-
Total unrestricted funds	(50,474)	218,213	(436,238)	-	(268,499)
Restricted funds	-	-	-	-	-
Total funds	(50,474)	218,213	(436,238)	-	(268,499)

SUMMARY OF FUNDS IN THE PRIOR YEAR

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2019 £
General fund	5,000	653	(56,127)	-	(50,474)
Designated funds	-	-	-	-	-
Total unrestricted funds	5,000	653	(56,127)	-	(50,474)
Restricted funds	-	-	-	-	-
Total funds	5,000	653	(56,127)	-	(50,474)

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

CURRENT YEAR

	Designated funds £	General fund £	Restricted funds £	Total funds £
Net current assets		231,916	-	231,916
Creditors due after more than one year	-	(500,415)	-	(500,415)
	<u>-</u>	<u>(268,499)</u>	<u>-</u>	<u>(268,499)</u>

PRIOR YEAR

	Designated funds £	General fund £	Restricted funds £	Total funds £
Net current assets		349,526		349,526
Creditors due after more than one year		(400,000)		(400,000)
		<u>(50,474)</u>		<u>(50,474)</u>

12. OPERATING LEASE COMMITMENTS

The charity has no future minimum lease payments under non-cancellable operating leases.

13. LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £10 in the event of the charity being wound up.

14. RELATED PARTY TRANSACTIONS

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.