

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING
31 AUGUST 2022



Red Balloon Learner Centres



Registered number: 05385733
Charity number: 1109947

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Contents

Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 16
Independent auditors' report on the financial statements	17 - 20
Statement of financial activities	21
Balance sheet	22-23
Statement of cash flows	24
Notes to the financial statements	25- 41

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY,
ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED
31 AUGUST 2022**

**Trustees and
Members**

G A Norris, Chair

J I Storey (appointed 14 October 2021)
S Jones (appointed 14 October 2021)
A J Lenton
T Webster
O Adebayo
S M Fishburn
R H Evans, Company Secretary

Company registered

number 05385733

Charity registered

number 1109947

Registered office

13 Kenton Road
Harrow
Middlesex
HA1 2BW

Company secretary

R H Evans

Chief executive officer

C Taylor BSc (Hons), PGCE, MSc

Bankers

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

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the audited financial statements of the Company for the 1 September 2021 to 31 August 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

OBJECTIVES AND ACTIVITIES

a. Policies and objectives

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

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

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

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

b. Strategies for achieving objectives

Our strategy 2020 – 2025 is to secure the existing premises out of which we operate and to expand, increasing the number of students we can support from 20 to 60. To support our expansion, we aim to secure a second property close to our current operating base at Kenton Road. The Trustees and Senior Management team has made good progress on this to date with 45 students on roll and the purchase of the existing Centre of operation at Kenton Road agreed in June 2022. We have rented a second property and have had an offer accepted on a second property close to Kenton Road.

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

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

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

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



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

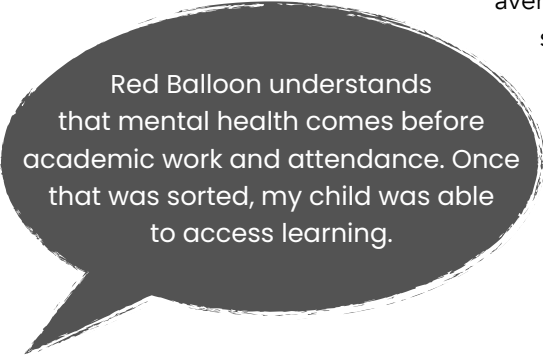
STRATEGIC REPORT

a. Achievements and performance

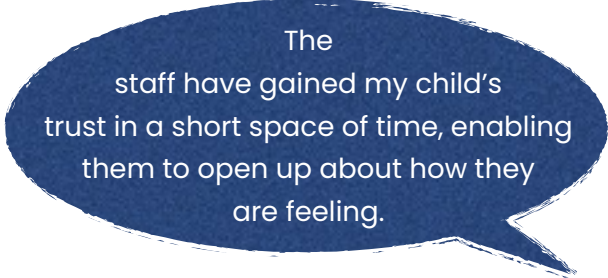
Achievement and performance at Red Balloon Learner Centre NW London is measured by the increase in self-esteem and confidence of each student, in their understanding of themselves and others and in their recovery and return to mainstream or further education or employment.

The Learner Centre operates from 08.30am - 4.30pm each day for 36 weeks of the year for students. Overall attendance has been good during 2021/22 with an average of 82%. Several students have very

fragile mental health and have struggled with attendance affecting the average total for the year. All our students have shown significantly higher attendance figures than when they began attending the Centre and are now progressing towards full time attendance.



Red Balloon understands that mental health comes before academic work and attendance. Once that was sorted, my child was able to access learning.

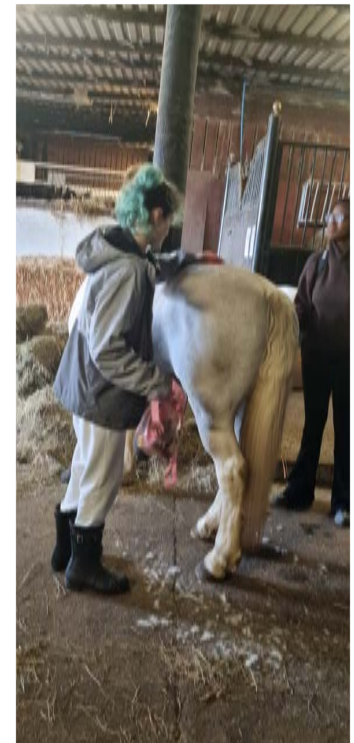


The staff have gained my child's trust in a short space of time, enabling them to open up about how they are feeling.

During the year the charity supported 47 (2020/21: 36) students (21 boys, 25 girls and one student describing their gender as non-binary) four Yr7, four Yr 8, six Yr9, 14 Yr10 and 19 Yr11. Some students struggled to attend full-time and so attended part-time. From these students 41 have remained with us for the 2022/23 academic year, six students were successfully placed in further education, training or employment.

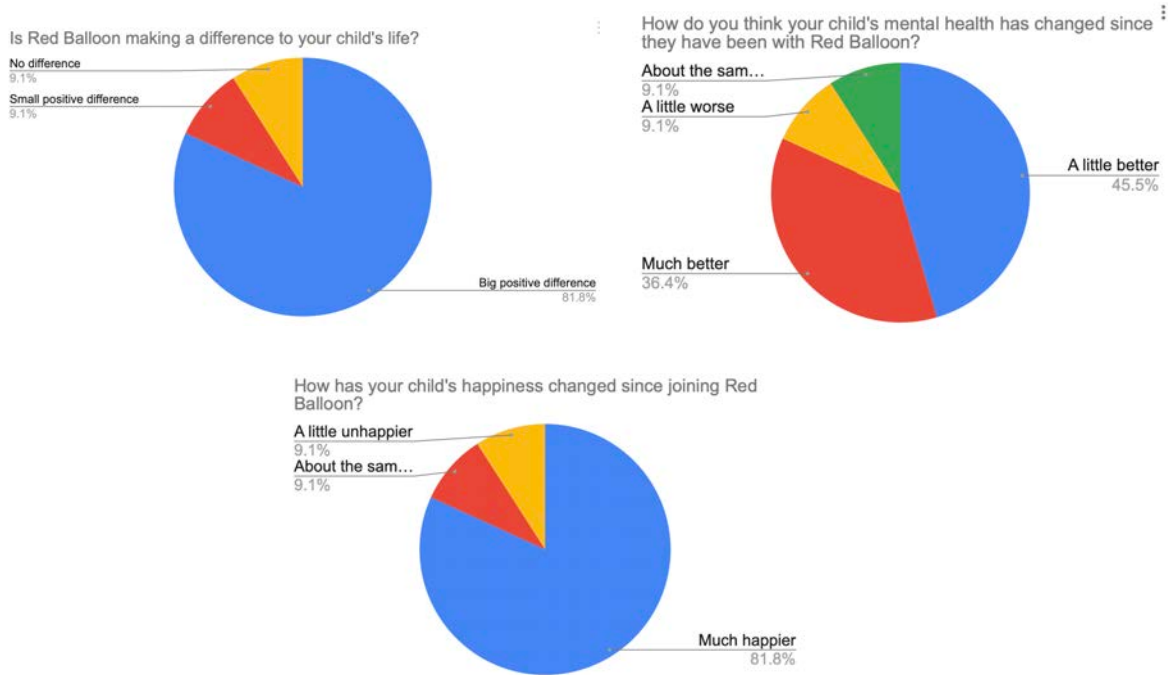
Despite the legacy of Covid-19 challenges, nine students took a rigorous set of GCSE examinations. Nine students took GCSE examinations in up to six subjects, four students achieved two or more GCSEs at Grades 4 - 9. One student gained Grade 9 in GCSE English Literature. Most students exceeded their predicted grades with four students exceeding their predicted grades in GCSE English Literature, six students exceeding their predicted grades in English Language, five students exceeding their predicted grades in Maths, four students exceeding their predicted grade in Combined Science and one student exceeding their predicted grade in GCSE psychology.

Four students exceeded their predicted grades in NCFE Art and Design (Level 2 and Level 3), four students exceeded their predicted grade in BTEC Home Cooking and one student exceeded their predicted grade in BTEC Animal Care.



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

Red Balloon is not just about academic results and we provide a wide range of activities to encourage exercise, creativity and well-being. We offer a range of therapeutic interventions including art, music and equine therapy. Students benefit from the opportunity to access these therapies with their confidence and self-esteem improving as a result. Equine therapy is particularly good for students who have a diagnosis of ASD and high levels of anxiety. Last year we introduced additional wellbeing sessions including yoga, meditation and taught social skills interventions. Our therapy team has worked hard this year to improve the quality of their sessions, and we have begun to offer group sessions and, where appropriate, family sessions.



Red Balloon offers a very high level of pastoral intervention for all students. All students have a tutor whom they see daily. Staff are empathetic and supportive. This year, the focus of our School Development Plan has been to ensure that the tutor relationship with parents / careers is more positive and proactive. This has worked well and the relationship with parents / careers has been strengthened significantly.

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

Our PE activities last year included; boxing, football, badminton, walking and athletics.

Building on the successful introduction of the Duke of Edinburgh Award Scheme six students successfully completed the Bronze Award and five students completed the Silver Award. The level of

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

personal progress made by students is enormous with students gaining self-confidence, belief in their own abilities, interpersonal skills and the ability to work as part of a team.



When able, we also organized visits to museums, art exhibitions and the theatre.

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

I feel privileged that my child has a place at this school. I don't think I would have the same girl today if she remained at her previous school. I genuinely believe this school is a lifesaver for my child.

Our daughter was very very happy attending RB and we feel that she was always positively supported by both teachers and support staff at all times.

Red Balloon without a doubt has saved my daughter's life. When she came to RB, she said she didn't see the point of living. They have transformed her life, giving her the confidence and space to feel good about herself and she is looking forward to move on to college.

My child has blossomed so much since being at Red Balloon. She had no confidence and very low self esteem. The school have supported her and she is a different child for the better.

Red Balloon will go out of their way to try and find the right fix to meet the child's needs.

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

b. Financial review and key performance indicators

KPI summary:

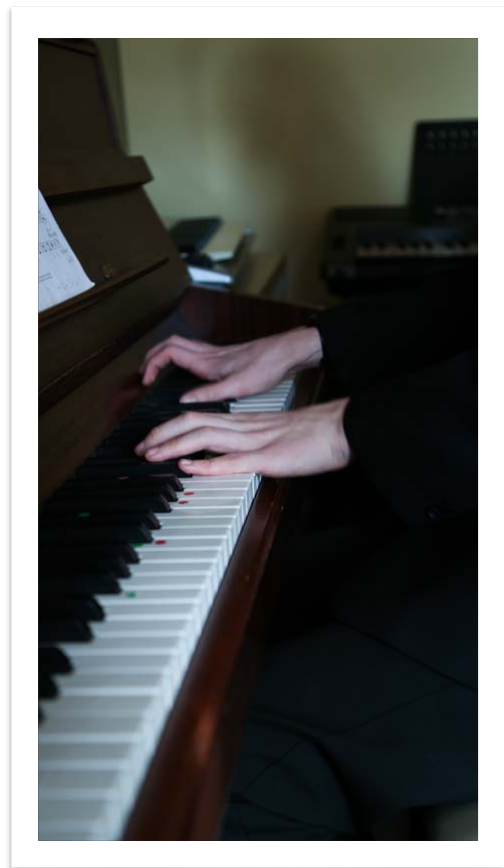
	2022 (£)	2021 (£)
Total income	1,646,663	998,447
Charitable expenditure	1,354,111	894,932
Surplus for the year	292,552	93,515
Net current assets	953,584	665,360
Cash bank	742,341	504,874
Total reserves	961,498	668,947

Trading income £1,556,332 (2021: £950,225). comprises fees received from Local Authorities, schools and parents to fund those students out of mainstream education. Money from Local Authorities is used to provide education in subjects of students' choice, therapy, wellbeing activities, extracurricular activities, meals, and administration. All fees received support the Charitable objectives of Red Balloon NW London.

Total unrestricted donations received in the period were £59,801 (2021: £nil).

Total restricted donations in the year were £25,500 (2021: £38,174)

Surplus for the year will be used to invest in future activities for the Centre, including expansion and further delivery of the provision to a wider group of students. Net assets have increased over the year due to the acquisition of an additional building and the purchase of a new building to replace one building currently being leased.



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

c. Fundraising activities and income generation

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

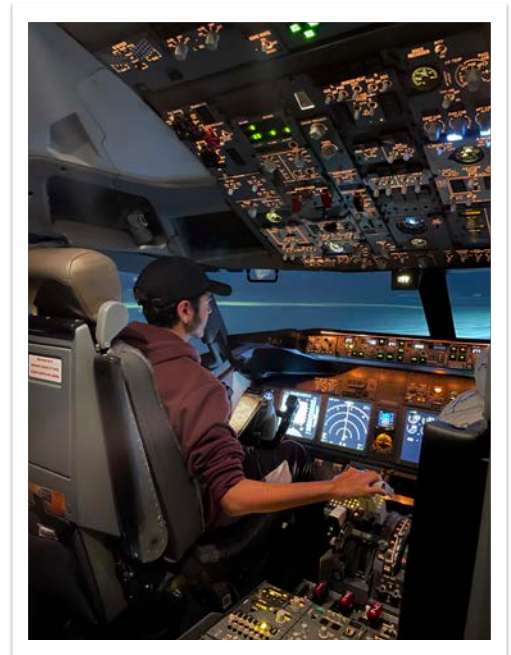
Fundraising activities are undertaken to support growth and non-academic activities. It is not a significant activity for the charity.

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

In particular we, should like to thank:

The Leri Foundation

The John Lyon's Foundation



d. Complaints

No complaints were received by the charity.

e. Investment policy and performance

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



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

FINANCIAL REVIEW

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The policy of Red Balloon NW London is to maintain a cash reserve of three - six months operating costs. This year we have achieved a reserve of 7 (2021: 5) months. The reserves policy was reviewed in the 2021/22 financial year to reflect the potential purchase of a property.

At the year end the charity had restricted funds of £957,589 (2021: £667,385) and unrestricted funds of £3,909 (2021: £1,562).

c. Principal risks and uncertainties

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

- Environmental risk, such as major virus pandemic, resulting in closure leading to loss of income and staff. In this event our pandemic contingency plan would be implemented.
- Operational risk, such as service delivery by third party organization, resulting in poor service complaints and damage to reputation. Mitigated by partnering with reputable organizations, carrying out due diligence and regular quality assurance visits.
- Finance risk, such as failure to protect against fraud, resulting in financial loss. Mitigated by regular review of Financial Controls and Whistleblowing policies combined with segregation of duties and two people payment processes.
- Compliance risk, such as failure to meet reporting requirements, resulting in fines and legal action. Mitigated by annual review by Clerk to the company, checklists and reminders to key personnel.
- Compliance risk, such as misuse of data and failure to comply with Data Protection legislation, resulting in fines, loss of reputation and inability to continue operating as a charity. Mitigated by having trained Data Protection staff, a Data Protection Policy, which is regularly reviewed, training all staff and ensuring Trustees use charity email addresses for charity business.

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

d. Legal case

On 16 October 2020 Red Balloon Learner Centre Group ["Group"] initiated legal proceedings to evict Red Balloon NW London from 13 Kenton Road, Harrow HA1 2BW. This was the result of Red Balloon NW London not agreeing to consolidate with Group. The Trustees of Red Balloon NW London were unable to consider consolidation in the absence of a fully costed business plan. After a two-year legal dispute, Red Balloon NW London reached agreement via formal legal mediation on 6 June 2022. At this meeting Group agreed to sell 13 Kenton Road to Red Balloon NW London for the market value of the property (determined by an expert) less £100,000.

Red Balloon NW London incurred £109,948 in professional fees in total, of which £53,355 was in the current year. The outcome was entirely satisfactory for Red Balloon NW London and fully supported its strategic objectives. Since the end of this financial year Red Balloon NW London has successfully purchased 13 Kenton Road.

CONSTITUTION

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

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

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

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

a. Methods of appointment or election of Trustees

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

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

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

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

b. Organizational structure and decision-making policies

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

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

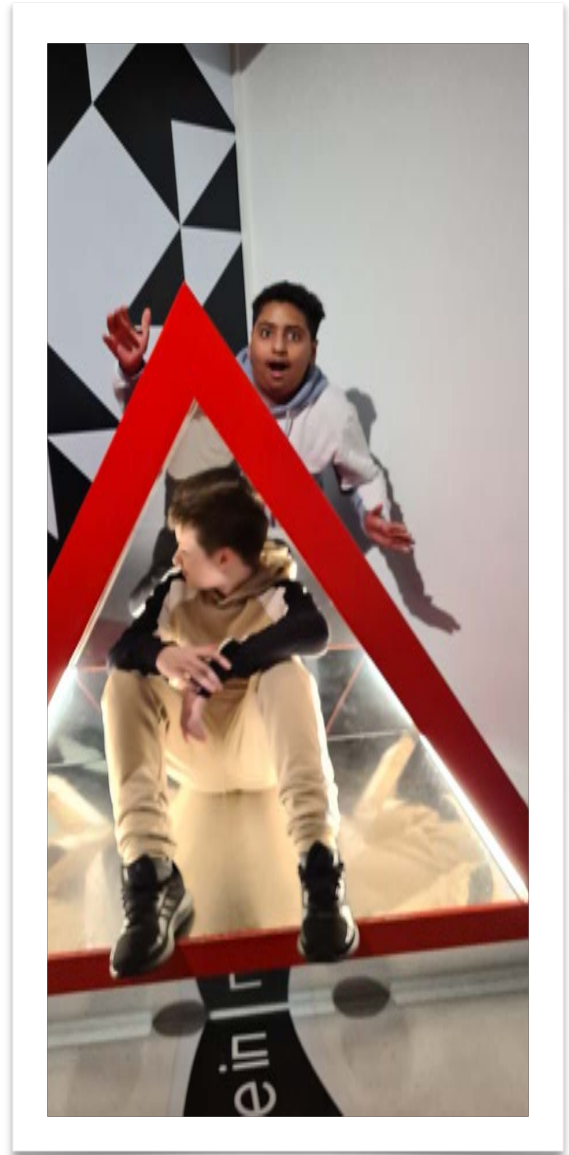
The Board of Trustees meet formally approximately every six - eight weeks, when they receive and discuss written reports from the Headteacher, Finance Trustee and other Trustees responsible for matters of compliance. Strategy and major project proposals are brought to the attention of the Trustees, discussed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

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

c. Pay policy for key management personnel

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

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



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

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

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

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

e. Property

The property used by Red Balloon Learner Centre NW London was purchased by Red Balloon Learner Centre Group, now Red Balloon Education Trust, and is leased back to Red Balloon Learner Centre NW London. Group holds the risk attached to the property. In October 2020, Group applied to Court to terminate Red Balloon NW London's tenancy of 13 Kenton Road. Red Balloon NW London Trustees appointed solicitors to defend our right to remain. In June 2022, Group agreed to the sale of Kenton Road to Red Balloon NW London and that transaction was completed after this financial year.

f. Membership of Red Balloon Learner Centre NW London

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

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

Plans for future periods

In 2019/20, and with significant demand for places at Red Balloon NW London the Trustees agreed a strategy of growth and agreed plans to create an off-site provision and open a second Centre in Harrow. A fully costed business plan was developed, agreed and implemented to support this growth.

Funds held as custodian

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

Members' liability

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

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

Management

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

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

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

This year the school has been full - our capacity is 60 full-time equivalent students. The Trustees have identified three areas of concern and for these reasons the Headteacher and Trustees are exploring how to expand the provision of the Centre:

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

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

- ii) Provision during the year:

This year 46 students were on roll at the start of the academic year, with 19 attending the Centre in person at 13 Kenton Road and 12 students attended in person at 3 Churchill Court. 15 students supported via outreach.

- iii) Department for Education inspection.

In 2020, the Department of Education approved a request for a 'Material Change' so that Red Balloon NW London could support 60 students. An inspection, originally expected in 2020/21, took place in September 2021. This inspection judged the quality of the provision to be sound, and identified some areas of non-compliance with regulations in the field of Health and Safety. These were immediately addressed and rectified, and a progress monitoring inspection in March 2022 found the Centre to be compliant with ISI regulations. No further action or monitoring was deemed necessary.

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

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

Headteacher. The second Centre Head is supported by a deputy and a team of teachers, therapists, and support staff.

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

All roles including Trustees and volunteers are DBS checked.



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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

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

Approved by order of the members of the board of Trustees on and signed on their behalf by:
24 May 2023



Geraldine Norris,
Chair of Trustees

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED
BALLOON LEARNER CENTRE NW LONDON**

Opinion

We have audited the financial statements of Red Balloon Learner Centre NW London (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue. Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of noncompliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

MWS

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

Jonathan Gorridge

Jonathan Gorridge FCA (Senior Statutory Auditor)
for and on behalf of:

MWS

Date: 24 May 2023

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

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

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	30,232	59,801	90,033	38,174
Charitable activities	4	1,554,282	2,050	1,556,332	950,225
Investments	5	-	298	298	48
Total income		1,584,514	62,149	1,646,663	988,447
Expenditure on:					
Charitable activities	6	1,354,111	-	1,354,111	894,932
Total expenditure		1,354,111	-	1,354,111	894,932
Net income		230,403	62,149	292,552	93,515
Transfers between funds	14	59,801	(59,801)	-	-
Net movement in funds		290,204	2,348	292,552	93,515
Reconciliation of funds:					
Total funds brought forward		667,385	1,562	668,947	575,432
Net movement in funds		290,204	2,348	292,552	93,515
Total funds carried forward		957,589	3,910	961,499	668,947

The Statement of financial activities includes all gains and losses recognised in the year. The notes on pages 19 to 34 form part of these financial statements

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

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	7,914	3,587
		<u>7,914</u>	<u>3,587</u>
Current assets			
Debtors	12	848,391	679,598
Cash at bank and in hand		742,341	504,874
		<u>1,590,732</u>	<u>1,184,472</u>
Creditors: amounts falling due within one year	13	(637,148)	(519,112)
Net current assets		<u>953,584</u>	<u>665,360</u>
Total assets less current liabilities Total		<u>961,498</u>	<u>668,947</u>
net assets		<u>961,498</u>	<u>668,947</u>
Charity funds			
Restricted funds	14	957,589	667,385
Unrestricted funds	14	3,909	1,562
Total funds		<u>961,498</u>	<u>668,947</u>

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

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

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

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

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

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

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



24 May 2023

G A Norris

Chair of Trustees

The notes on pages 19 to 34 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	2022	2021
	£	£
Cash flows from operating a ctivities		
Net cash used in operating activities	242,821	(191,433)
Cash flows from investing a ctivities		
Purchase of tangible fixed assets	(5,354)	(4,926)
Net cash used in investing activities	(5,354)	(4,926)
Cash flows from financing a ctivities		
Net cash provided by financing a ctivities	-	-
Change in cash and cash equivalents in the year	237,467	(196,359)
Cash and cash equivalents at the beginning of the year	504,874	701,233
Cash and cash equivalents at the end of the year	742,341	504,874

The notes on pages 19 to 34 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 AUGUST 2022**

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Red Balloon Learner Centre NW London meets the definition of a public benefit entity under FRS

102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

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

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

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

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

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

2.3 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

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

2.4 Government grants

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

2.5 Interest receivable

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

2.6 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following basis:

Fixtures and fittings- 25% straight line

2.7 Debtors

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

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

2.8 Cash at bank and in hand

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

2.9 Liabilities and provisions

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

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

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

2.10 Financial instruments

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

2.11 Pensions

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

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

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

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

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

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

3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Donations	25,500	59,801	85,301
Government grants	4,732	-	4,732
Total 2022	30,232	59,801	90,033
	<i>Restricted funds 2021 £</i>		<i>Total funds 2021 £</i>
Donations	32,771		32,771
Government grants	5,403		5,403
<i>Total 2021</i>	38,174		38,174

4. Income from charitable activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Income from charitable activities	1,554,282	2,050	1,556,332
		<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Income from charitable activities		950,225	950,225

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Investment income - local cash	298	298
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Investment income - local cash	48	48

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

6. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Total 2022 £
Education	<u>1,354,111</u>	<u>1,354,111</u>
	<i>Restricted funds</i>	<i>Total</i>
	<i>2021</i>	<i>2021</i>
	<i>£</i>	<i>£</i>
Education	<u>894,932</u>	<u>894,932</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Education	<u>1,122,553</u>	<u>231,558</u>	<u>1,354,111</u>
	<i>Activities undertaken directly</i>	<i>Support costs</i>	<i>Total funds</i>
	<i>2021</i>	<i>2021</i>	<i>2021</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Education	<u>699,648</u>	<u>195,285</u>	<u>894,933</u>

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

7. Analysis of expenditure by activities (continued)

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

	<i>Education 2021 £</i>	<i>Total funds 2021 £</i>
Staff costs	518,544	518,544
Direct educational costs	175,734	175,734
Training and recruitment	5,370	5,370
<i>Total 2021</i>	<i>699,648</i>	<i>699,648</i>

Analysis of support costs

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

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

During the year the charity incurred governance costs of £6,900 (2021: £6,900).

	<i>Education</i> 2021 £	<i>Total</i> <i>funds</i> 2021 £
Staff costs	38,979	38,979
Depreciation	3,454	3,454
Bank charges	112	112
Accountancy	6,900	6,900
Repairs and maintenance	9,159	9,159
Utilities	3,156	3,156
Legal and professional fees	79,427	79,427
Insurance	6,343	6,343
Rent and rates	38,330	38,330
Bookkeeping	9,425	9,425
<i>Total 2021</i>	<u>195,285</u>	<u>195,285</u>

8. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>6,900</u>	<u>6,900</u>

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

9. Staff costs

	2022	<i>2021</i>
	£	£
Staff costs	717,959	<i>507,550</i>
Social Security costs	64,532	<i>38,457</i>
Training and recruitment	15,963	<i>11,516</i>
	<u>798,454</u>	<i><u>557,523</u></i>

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

	2021	<i>2021</i>
	No.	<i>No.</i>
Management	4	<i>2</i>
Teaching and education	21	<i>16</i>
Admin and premises	2	<i>2</i>
	<u>27</u>	<i><u>20</u></i>

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

Remuneration paid to Key Management Personnel due the year amounted to £183,537 (2021: £91,263) including £178,507 (2021: £88,969) of gross pay and £5,030 (2021: £2,294) of employer's pension.

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

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, expenses totalling £78 were reimbursed or paid directly to 2 Trustees (2021 - £NIL to no *Trustee*). Expenses related to travel.

11. Tangible fixed assets

Tangible fixed assets

Cost or Valuation	Fixtures and Fittings £
At 1 September 2021	28,832
Additions	5,352
	<hr/>
At 31 August 2022	34,184
	<hr/>

Depreciation

At 1 September 2021	25,245
Charge for the year	1,025
	<hr/>
At 31 August 2022	26,270
	<hr/>

Net book value	Fixtures and fittings £
At 31 August 2022	7,914
	<hr/> <hr/>
At 31 August 2021	3,587
	<hr/> <hr/>

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

12. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	588,269	495,700
Other debtors	208,959	150,000
Prepayments and accrued income	51,163	33,898
	<u>848,391</u>	<u>679,598</u>

13. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,502	17,837
Other taxation and social security	20,821	13,831
Pension creditor	4,130	2,456
Other creditors	-	608
Accruals and deferred income	601,695	484,380
	<u>637,148</u>	<u>519,112</u>

	2022 £	2021 £
Deferred income at 1 September 2021	477,480	226,324
Resources deferred during the year	597,781	477,480
Amounts released from previous periods	(477,480)	(226,324)
	<u>597,781</u>	<u>477,480</u>

Deferred income comprises fees raised in advance of entitlement.

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

14. Statement of funds

Statement of funds - current year

	Balance at 1 September			Transfers	Balance at 31 August
	2021	Income	Expenditure	in/out	2022
	£	£	£	£	£
Unrestricted funds					
General Funds - all funds	<u>1,562</u>	<u>62,148</u>	<u>-</u>	<u>(59,801)</u>	<u>3,909</u>
Restricted funds					
Restricted donations	30,000	25,500	(115,601)	59,801	(300)
Fee income	633,798	1,554,282	(1,232,753)	(5,352)	949,975
Fixed assets	3,587	-	(1,025)	5,352	7,914
Pupil premium	<u>-</u>	<u>4,732</u>	<u>(4,732)</u>	<u>-</u>	<u>-</u>
	<u>667,385</u>	<u>1,584,514</u>	<u>(1,354,111)</u>	<u>59,801</u>	<u>957,589</u>
Total of funds	<u><u>668,947</u></u>	<u><u>1,646,662</u></u>	<u><u>(1,354,111)</u></u>	<u><u>-</u></u>	<u><u>961,498</u></u>

Restricted fee income fund is for income raised for the purposes of education in line with the charitable objects.

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

14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds					
General Funds - all funds	1,514	48	-	-	1,562
	<u>1,514</u>	<u>48</u>	<u>-</u>	<u>-</u>	<u>1,562</u>
	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers In/out £</i>	<i>Balance at 31 August 2021 £</i>
Restricted funds					
Restricted donations	154,000	32,771	(156,771)	-	30,000
Fee income	417,803	950,225	(729,304)	(4,926)	633,798
Fixed assets	2,115	-	(3,454)	4926	3,587
Pupil premium	-	5,403	(5,403)	-	-
	<u>573,918</u>	<u>988,399</u>	<u>(894,932)</u>	<u>-</u>	<u>667,385</u>
Total of funds	<u>575,432</u>	<u>988,447</u>	<u>(894,932)</u>	<u>-</u>	<u>668,947</u>

15. Summary of funds

Summary of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
General funds	1,562	62,148	-	(59,801)	3,909
Restricted funds	667,385	1,584,514	(1,354,111)	59,801	957,589
	<u>668,947</u>	<u>1,646,662</u>	<u>(1,354,111)</u>	<u>-</u>	<u>961,498</u>

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

15. Summary of funds (continued) Summary of funds - prior year

	<i>Balance at 1 September</i>		<i>Transfers in/out</i>	<i>Balance at 31 August</i>	
	<i>2020</i>	<i>Income</i>		<i>Expenditure</i>	<i>2021</i>
	<i>£</i>	<i>£</i>		<i>£</i>	<i>£</i>
General funds	1,514	48	-	-	1,562
Restricted funds	573,918	988,399	(894,932)	-	667,385
	<u>575,432</u>	<u>988,447</u>	<u>(894,932)</u>	<u>-</u>	<u>668,947</u>

16. Transfers between funds

£5,352 was transferred from the restricted fees fund to the restricted fixed asset fund representing asset additions paid from restricted income.

£59,801 was transferred from the unrestricted fund to the restricted donation fund for expenditure paid for from unrestricted donations.

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	7,914	-	7,914
Current assets	1,586,823	3,909	1,590,732
Creditors due within one year	(637,148)	-	(637,148)
Total	<u>957,589</u>	<u>3,909</u>	<u>961,948</u>

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

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021</i>	<i>Unrestricted funds 2021</i>	<i>Total funds 2021</i>
	£	£	£
Tangible fixed assets	3,587	-	3,587
Current assets	1,182,910	1,562	1,184,472
Creditors due within one year	<u>(519,112)</u>	<u>-</u>	<u>(519,112)</u>
Total	<u>667,385</u>	<u>1,562</u>	<u>668,947</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net income for the year (as per Statement of Financial Activities)	<u>292,552</u>	<u>93,515</u>
Adjustments for:		
Depreciation charges	1,025	3,454
Increase in debtors	(168,792)	(557,492)
Increase in creditors	118,036	269,090
Net cash provided by/(used in) operating activities	<u>242,821</u>	<u>(191,433)</u>

19. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	<u>742,341</u>	<u>504,874</u>
Total cash and cash equivalents	<u>742,341</u>	<u>504,874</u>

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

20. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	504,874	237,467	742,341
Debt due within 1 year	(2,456)	(1,674)	(4,130)
	<u>502,418</u>	<u>235,793</u>	<u>738,211</u>

21. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £15,963 (2021: £11,331).

£4,130 (2021: £2,456) were payable to the fund at the balance sheet date and are included in creditors.

22. Operating lease commitments

At 31 August 2022 the Company had commitments to make future minimum lease payments under non- cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	48,370	370
Later than 1 year and not later than 5 years	92,185	552
	<u>140,555</u>	<u>922</u>

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

23. Members' liability

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

24. Related party transactions

The Company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Company at 31 August 2022.

25. Post balance sheet events

In September 2022 the charity purchased the freehold of the property it had been occupying at 13 Kenton Road for £700,000.