

**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 2021**

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

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**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 2021**

**Trustees and Members** G A Norris, Chair  
J I Storey (appointed 14 October 2021)  
S Jones (appointed 14 October 2021)  
A J Lenton (appointed 17 November 2020)  
T Webster (appointed 5 November 2020)  
O Adebayo (appointed 28 May 2020)  
S M Fishburn  
R H Evans  
M Holmes (resigned 22 April 2021)  
M Richards (resigned 20 January 2022)

**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 2021**

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 September 2020 to 31 August 2021. 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 counselling 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)'.

**b. 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 traumatised 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 behaviour 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Achievements and performance**

**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 improved considerably during 2020/21 to 89%. Several students have very fragile mental health and have struggled with attendance however all these students have shown significantly higher attendance figures than when they began attending the Centre and are now progressing towards full time attendance.

During the year the charity supported 36 students (14 boys and 22 girls) one Yr7, four Yr 8, three Yr9, eighteen Yr10 and ten Yr11. Some students struggled to attend full-time and so attended part-time. From these students 26 have remained with us for the 2021/22 academic year, nine students were successfully placed in further education, training or employment. For one student no education, employment or training placement has been found.

Despite the Covid-19 challenges, ten students took a rigorous set of GCSE examinations. Seven students took GCSE examinations in up to five subjects, six students achieved 5 or more GCSEs at Grades 4 - 9. One student gained Grades 9:9 in Combined Science and another gained Grade 9 in GCSE English Language. Most students achieved their predicted grades with three students exceeding their predicted grades in GCSE English Language, six students exceeding their predicted grades in Maths, one student exceeding their predicted grade in Combined Science and one student exceeding their predicted grade in GCSE Biology.

Four students achieved predicted grades in NCFE Art and Design (Level 2 and Level 3), One student achieved predicted grade In OCR Computer Science, one student achieved predicted grade in ART and one student achieved predicted grade in WJEC English Language.

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.

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 / carers is more proactive. This has worked well and the relationship with parents / carers 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 in the 2018/19 academic year we were delighted that six students completed their Gold Award, a first for Red Balloon, and four students completed their Bronze Award. These students carried out various activities including supporting younger students at Red Balloon, visiting external youth groups acting as young leaders supporting younger people in community activities. For the skills section, students study subjects as varied as history and Japanese. The final Gold Award expedition involved canoeing 60 miles on the Great Glen Canoe Trail in Scotland and camping for a total of five nights.

When able, we also organised 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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Achievements and performance (continued)**

outstanding teaching and support given by the staff.

**b. Financial review and key performance indicators**

Trading income £950,225 (2020: £677,114) comprises fees received from Local Authorities, schools, and parents to fund those students out of mainstream education.

Total unrestricted donations received in the period were £nil (2020: £nil).

Total restricted donations in the year were £38,174 (2020 restated: £203,095).

KPI summary:

	2021 (£)	2020 (£)
Total income	998,447	881,722
Charitable expenditure	894,932	632,860
Surplus for the year	93,515	248,862
Net current assets	665,360	573,317
Cash bank	504,874	701,233
Total reserves	668,947	575,432

**c. Fundraising activities and income generation**

Red Balloon Learner Centre NW London is grateful to all those organisations and individuals who have donated and volunteered time during the year. We would like to thank all those who have donated funds to the benefit of the Centre and to organisations based in the area who have helped us by allowing us to use their facilities.

Finally, we would like to thank our funders and supporters without whom we would not have been able to deliver our activities and develop the Centre. In particular we would like to thank:

The Duke of Edinburgh Award Diamond Fund	Sport England
The Leri Foundation	The Alex Roberts Miller Trust
The Lottery Fund	Fitch Ratings
The John Lyon's Foundation	

**d. Investment policy and performance**

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

**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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**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 5 (2020: 4) months. The reserves policy will be 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 £629,211 (2020: restated £573,918) and unrestricted funds of £39,736 (2020 restated: £1,514).

**Structure, governance and management**

**a. 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.

**b. 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 organisation 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.

**c. Organisational 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Structure, governance and management (continued)**

**d. 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.

**e. Red Balloon Educational Trust 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 Educational 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.

**f. Property**

The property used by Red Balloon Learner Centre NW London has been purchased by Red Balloon Educational Trust and leased back to Red Balloon Learner Centre NW London. RBET holds the risk attached to the property.

**g. 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 organisation - only has one vote. Any organisation 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 organisation. There are no 'organisation' Members of Red Balloon NW London.

**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**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**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 40 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, with the support of the Trustee Board, introduced an Outreach Home Tuition Service in June 2019 and a Lead Outreach Teacher joined the Centre in June 2019. 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 has impacted this project.

ii) Provision during Covid-19:  
This year 26 students were on roll at the start of the academic year, with 20 attending the Centre in person at 13 Kenton Road and 6 students supported via outreach. The Covid-19 lockdowns resulted in closure of the Centre from January - March 2021. Online educational and therapeutic provision was offered to all students, who were able to return to the Centre in person in April 2021.

iii) Department for Education application for increase in student numbers.  
The Headteacher, with the support of the Trustee Board, submitted a request for a 'Material Change' to the Department of Education so that Red Balloon NW London can support 60 students. This request was approved. An inspection originally expected in 2020/21 is now expected in the 2021/22 academic year.

The Headteacher is responsible for all aspects of the Centre's work. She is supported by a deputy with responsibility for curriculum, a deputy with pastoral responsibility, a lead outreach teacher, an administrator 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**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**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 year. 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.

**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 26 May 2022 and signed on their behalf by:



**G A 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 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 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.

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

**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.

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

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

We have been appointed as auditor under section 145 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:

- 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.

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

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](http://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.

*Jonathan Gorridge*

**Jonathan Gorridge FCA (Senior Statutory Auditor)**

for and on behalf of:

**MWS**

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

Date: 27 May 2022

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

**RED BALLOON LEARNER CENTRE NW LONDON**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
<b>Income from:</b>					
Donations and legacies	3	38,174	-	38,174	203,095
Charitable activities	4	950,225	-	950,225	678,324
Investments	5	-	48	48	303
<b>Total income</b>		<b>988,399</b>	<b>48</b>	<b>988,447</b>	<b>881,722</b>
<b>Expenditure on:</b>					
Charitable activities	6	894,932	-	894,932	632,860
<b>Total expenditure</b>		<b>894,932</b>	<b>-</b>	<b>894,932</b>	<b>632,860</b>
<b>Net movement in funds</b>		<b>93,467</b>	<b>48</b>	<b>93,515</b>	<b>248,862</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		573,918	1,514	575,432	326,570
Net movement in funds		93,467	48	93,515	248,862
<b>Total funds carried forward</b>		<b>667,385</b>	<b>1,562</b>	<b>668,947</b>	<b>575,432</b>

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

The notes on pages 17 to 31 form part of these financial statements.

**RED BALLOON LEARNER CENTRE NW LONDON****(A company limited by guarantee)****REGISTERED NUMBER: 05385733****BALANCE SHEET  
AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	<b>3,587</b>	2,115
		<u>3,587</u>	<u>2,115</u>
<b>Current assets</b>			
Debtors	12	<b>679,598</b>	122,106
Cash at bank and in hand		<b>504,874</b>	701,233
		<u>1,184,472</u>	<u>823,339</u>
Creditors: amounts falling due within one year	13	<b>(519,112)</b>	(250,022)
		<u>665,360</u>	<u>573,317</u>
<b>Net current assets</b>		<b>665,360</b>	573,317
<b>Total assets less current liabilities</b>		<b>668,947</b>	575,432
<b>Net assets excluding pension asset</b>		<b>668,947</b>	575,432
<b>Total net assets</b>		<b>668,947</b>	575,432
<b>Charity funds</b>			
Restricted funds	15	<b>667,385</b>	573,918
Unrestricted funds	15	<b>1,562</b>	1,514
<b>Total funds</b>		<b>668,947</b>	575,432

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 145 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 26 May 2022 and signed on their behalf by:



**RED BALLOON LEARNER CENTRE NW LONDON**

**(A company limited by guarantee)  
REGISTERED NUMBER: 05385733**

**BALANCE SHEET (CONTINUED)  
AS AT 31 AUGUST 2021**



**G A Norris**  
Chair of Trustees

The notes on pages 17 to 31 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 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>(191,433)</b>	<b>321,194</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(4,926)</b>	<b>-</b>
	<hr/>	<hr/>
<b>Net cash (used in)/provided by investing activities</b>	<b>(4,926)</b>	<b>-</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
	<hr/>	<hr/>
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	<b>(196,359)</b>	<b>321,194</b>
Cash and cash equivalents at the beginning of the year	<b>701,233</b>	<b>380,039</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>504,874</b>	<b>701,233</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 31 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 2021**

**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.

**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)**

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

**2. Accounting policies (continued)**

**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
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**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.

**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.

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

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

**2. Accounting policies (continued)**

**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.

**3. Income from donations and legacies**

	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Donations	32,771	<b>32,771</b>
Government grants	5,403	<b>5,403</b>
<b>Total 2021</b>	<u>38,174</u>	<u><b>38,174</b></u>
	<i>As restated Restricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Donations	<u>203,095</u>	<u>203,095</u>

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

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

**4. Income from charitable activities**

	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Income from charitable activities	950,225	<b>950,225</b>

	<i>As restated Restricted funds 2020 £</i>	<i>As restated Unrestricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Income from charitable activities	677,114	1,210	678,324

**5. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Investment income - local cash	48	<b>48</b>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income - local cash	303	303

**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Education	894,932	<b>894,932</b>

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

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

**6. Analysis of expenditure on charitable activities (continued)**

**Summary by fund type (continued)**

	<i>As restated Restricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Education	632,860	632,860

**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>
Education	699,648	195,285	<b>894,933</b>

	<i>Activities undertaken directly 2020 £</i>	<i>As restated Support costs 2020 £</i>	<i>As restated Total funds 2020 £</i>
Education	522,687	110,174	632,861

**Analysis of direct costs**

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

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

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

**7. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<i>As restated Education 2020 £</i>	<i>As restated Total funds 2020 £</i>
Staff costs	422,613	422,613
Direct educational costs	91,738	91,738
Training and recruitment	8,336	8,336
	<hr/>	<hr/>
<i>Total 2020 as restated</i>	<i>522,687</i>	<i>522,687</i>
	<hr/> <hr/>	<hr/> <hr/>

**Analysis of support costs**

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

During the year the charity incurred governance costs of £6,900 (2020: £200).



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

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

**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

	<i>As restated Education 2020 £</i>	<i>As restated Total funds 2020 £</i>
Staff costs	34,507	34,507
Depreciation	2,896	2,896
Bank charges	60	60
Accountancy	200	200
Repairs and maintenance	9,545	9,545
Utilities	4,072	4,072
Legal and professional fees	8,302	8,302
Insurance	7,102	7,102
Rent and rates	38,310	38,310
Bookkeeping	5,180	5,180
<i>Total 2020 as restated</i>	<u>110,174</u>	<u>110,174</u>

**8. Auditors' remuneration**

	<b>2021 £</b>	<b>2020 £</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<b>6,900</b>	-
Fees payable to the Company's auditor in respect of: Independent examination	-	<u>200</u>

**9. Staff costs**

	<b>2021 £</b>	<i>As restated 2020 £</i>
Wages and salaries	<b>507,550</b>	410,821
Social security costs	<b>38,457</b>	37,581
Contribution to defined contribution pension schemes	<b>11,516</b>	8,718
	<u><b>557,523</b></u>	<u>457,120</u>

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

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

**9. Staff costs (continued)**

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

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<i>No.</i>
Management	2	2
Teaching and education	16	13
Admin and premises	2	2
	<u>20</u>	<u>17</u>

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

Remuneration paid to Key Management Personnel due the year amounted to £91,263 including £88,969 of gross pay and £2,294 of employer's pension.

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

**11. Tangible fixed assets**

	<b>Fixtures and fittings</b>
	<b>£</b>
<b>Cost or valuation</b>	
At 1 September 2020	23,906
Additions	4,926
	<u>28,832</u>
<b>Depreciation</b>	
At 1 September 2020	21,791
Charge for the year	3,454
	<u>25,245</u>

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

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

**11. Tangible fixed assets (continued)**

	<b>Fixtures and fittings £</b>
<b>Net book value</b>	
At 31 August 2021	<b>3,587</b>
	<hr style="border-top: 3px double black;"/>
At 31 August 2020	<b>2,115</b>
	<hr style="border-top: 3px double black;"/>

**12. Debtors**

	<b>2021 £</b>	<i>2020 £</i>
<b>Due within one year</b>		
Trade debtors	<b>495,700</b>	122,106
Other debtors	<b>150,000</b>	-
Prepayments and accrued income	<b>33,898</b>	-
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	<b>679,598</b>	122,106
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

**13. Creditors: Amounts falling due within one year**

	<b>2021 £</b>	<i>As restated 2020 £</i>
Trade creditors	<b>17,837</b>	11,170
Other taxation and social security	<b>13,831</b>	10,359
Pension creditor	<b>2,456</b>	1,809
Other creditors	<b>608</b>	-
Accruals and deferred income	<b>484,380</b>	226,684
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	<b>519,112</b>	250,022
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

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

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

	<b>2021</b>	<i>As restated</i>
	£	2020 £
Deferred income at 1 September 2020	<b>226,324</b>	184,829
Resources deferred during the year	<b>477,480</b>	226,324
Amounts released from previous periods	<b>(226,324)</b>	(184,829)
	<b>477,480</b>	226,324

Deferred income comprises fees raised in advance of entitlement.

**14. Prior year adjustments**

The accounts have been restated in three ways:

- To correct the allocation of costs between direct and support costs
- To reclassify fee income to restricted in line with contractual obligations, and costs to follow that treatment.
- To recognise restricted donations in the year of receipt

The impact on the financial statements are as follows:

Net assets, increase of £154,000  
SOFA surplus, increase of £154,000

The impact on individual fund balances are as follows:

Restricted reserves, increase of £419,918  
Unrestricted reserves, decrease of £419,918

The impact on costs are as follows:

Direct costs, increase of £98,653  
Support costs, decrease of £98,653

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

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

**15. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>					
General Funds - all funds	1,514	48	-	-	1,562
<b>Restricted funds</b>					
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)	4,926	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>
<b>Total of funds</b>	<u><u>575,432</u></u>	<u><u>988,447</u></u>	<u><u>(894,932)</u></u>	<u><u>-</u></u>	<u><u>668,947</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)

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

**15. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 September 2019 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>Balance at 31 August 2020 £</i>
<b>Unrestricted funds</b>				
General Funds - all funds	-	1,514	-	1,514

	<i>Balance at 1 September 2019 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>Balance at 31 August 2020 £</i>
<b>Restricted funds</b>				
Restricted donations	23,500	203,095	(72,595)	154,000
Fee income	298,059	677,114	(557,370)	417,803
Fixed assets	5,011	-	(2,896)	2,115
	<u>326,570</u>	<u>880,209</u>	<u>(632,861)</u>	<u>573,918</u>
<b>Total of funds</b>	<u><u>326,570</u></u>	<u><u>881,723</u></u>	<u><u>(632,861)</u></u>	<u><u>575,432</u></u>

**16. Summary of funds**

**Summary of funds - current year**

	<b>Balance at 1 September 2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Balance at 31 August 2021 £</b>
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>

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

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

**16. Summary of funds (continued)**

**Summary of funds - prior year**

	<i>Balance at 1 September 2019 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>Balance at 31 August 2020 £</i>
General funds	-	1,514	-	1,514
Restricted funds	326,570	880,209	(632,861)	573,918
	<u>326,570</u>	<u>881,723</u>	<u>(632,861)</u>	<u>575,432</u>

**17. Transfers between funds**

£4,926 was transferred from the restricted fees fund to the restricted fixed asset fund representing asset additions paid from restricted income.

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

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

**Analysis of net assets between funds - prior year**

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	2,115	-	2,115
Current assets	821,825	1,514	823,339
Creditors due within one year	(250,022)	-	(250,022)
<b>Total</b>	<u>573,918</u>	<u>1,514</u>	<u>575,432</u>

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

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

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	<b>93,515</b>	248,862
<b>Adjustments for:</b>		
Depreciation charges	<b>3,454</b>	2,896
Decrease/(increase) in debtors	<b>(557,492)</b>	15,760
Increase in creditors	<b>269,090</b>	53,676
<b>Net cash provided by/(used in) operating activities</b>	<b><u>(191,433)</u></b>	<b><u>321,194</u></b>

**20. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand	<b>504,874</b>	701,233
<b>Total cash and cash equivalents</b>	<b><u>504,874</u></b>	<b><u>701,233</u></b>

**21. Analysis of changes in net debt**

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	<b>701,233</b>	<b>(196,359)</b>	<b>504,874</b>
Debt due within 1 year	<b>(1,809)</b>	<b>(647)</b>	<b>(2,456)</b>
	<b><u>699,424</u></b>	<b><u>(197,006)</u></b>	<b><u>502,418</u></b>

**22. 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 £11,331 (2020 - £2,456) were payable to the fund at the balance sheet date and are included in creditors.



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

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

**23. Operating lease commitments**

At 31 August 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	<i>2020</i>
	£	£
Not later than 1 year	<b>370</b>	<i>370</i>
Later than 1 year and not later than 5 years	<b>552</b>	<i>925</i>
	<b>922</b>	<i>1,295</i>
	<b>922</b>	<i>1,295</i>

**24. 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.

**25. 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 2021.

**26. Post balance sheet events**

The charity is currently engaged in legal proceedings against another charitable company which may conclude in the following accounting period. No provision is considered necessary to the figures within the financial statements. The charity has chosen not to disclose further details as per s21.17 of FRS102 in order not to prejudice the proceedings.