

Company Number: 06724508
Charity Number: 1139447

AREA 51 EDUCATION LIMITED

Report and Accounts

for the year ended 31 July 2017

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AREA 51 EDUCATION LIMITED

Report and Accounts

for the year ended 31 July 2017

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

19 and 20	Detailed Income and Expenditure Account
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AREA 51 EDUCATION LIMITED

Company Information

Company Number: 06724508

Charities Number: 1139447

Registered Office

1 Mallard Place
Coburg Road
London
N22 6TS

Trustees and Directors

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

Senior Staff

Miss N Quarterman

Auditors

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

Bankers

National Westminster Bank Plc
PO Box 4115
Essex
RM12 4DF

AREA 51 EDUCATION LIMITED

Trustees' (Directors') Annual Report

for the year ended 31 July 2017

Trustees' Annual Report

The trustees submit their report together with the audited accounts for the year ended 31 July 2017.

The accounts have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). This report is also a directors' report as required by the Companies Act 2006, as all trustees are directors.

Structure, Governance and Management

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

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

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

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

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

Objectives and Activities

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

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

AREA 51 EDUCATION LIMITED

Trustees' (Directors') Annual Report

for the year ended 31 July 2017

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

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

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

Risk Assessment

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

Achievements and Performance

The College has maintained the high standard achieved in its Ofsted report over the current year and learners are benefitting from specialist input for speech and language, nursing and behaviour support. The College continues to maintain an allotment and market stall to provide realistic work opportunities for its young people.

Future Developments and Strategies

As with previous years, accommodation continues to be a prime issue and the senior leaders and Governors continue to explore viable alternatives to the current property. In addition, the College is now facing increasing costs from premises and staffing and will be considering efficiencies to ensure a healthy budget going forward.

Financial Review

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

Funds spent creating new classrooms last year have allowed the Charity to increase its capacity and utilise the space available. Income from full time courses has remained fairly consistent at £754,738 for the year ending 31 July 2017 (2016: £880,765 - 16 months).

Owing to its status as an Independent Specialist Provider, the charity received grants from the Education Funding Agency during the year amounting to £800,346 (2016: £952,314 – 16 months).

Staff costs are the charity's core costs in meeting its objectives; these have proportionately increased from £1,267,131 in the prior 16 month period to £1,037,725 for this year.

A provision of £30,000 was made in the prior period for dilapidation costs on the current premises as it is intended to relocate in the near future.

The results show a surplus for the year of £40,863 (2016: £15,415).

Statement of Trustees' Responsibilities

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

AREA 51 EDUCATION LIMITED

Trustees' (Directors') Annual Report

for the year ended 31 July 2017

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

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

Legal and Administrative Information

The company is limited by guarantee and has no share capital.

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

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

Reserves Policy

The Trustees have established a policy to maintain reserves at a level sufficient to secure a mortgage on suitable, long term premises when these are found.

As at 31 July 2017 unrestricted reserves amounted to £397,987 (2016: £364,197) and restricted reserves amounted to £57,983 (2016: £50,910).

Trustees and Directors

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

Dr M Griffiths

Mr A Day (Resigned 28 September 2017)

Ms S Foster (Resigned 23 March 2017)

Mr D Stansell

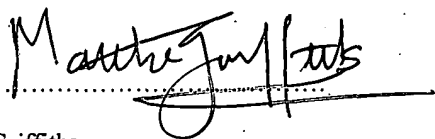
Auditors

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

Exemption Statement

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

By Order of the Board:



Dr M Griffiths

Trustee and Director

Date: 16/ii/2018

AREA 51 EDUCATION LIMITED

Auditors' Report to the Trustees

for the year ended 31 July 2017

Opinion

We have audited the financial statements of Area 51 Education Ltd for the year ended 31 July 2017 which comprise Statement of Financial Activities, the Balance Sheet and the related notes and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

We have nothing to report in this regard.

AREA 51 EDUCATION LIMITED

Auditors' Report to the Trustees

for the year ended 31 July 2017

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 2-3, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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.

AREA 51 EDUCATION LIMITED

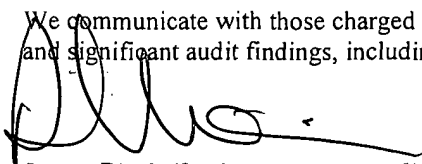
Auditors' Report to the Trustees

for the year ended 31 July 2017.

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

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

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



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

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

26 February 2018
Date

AREA 51 EDUCATION LIMITED

Statement of Financial Activities

for the year ended 31 July 2017

		Unrestricted Funds	Restricted Funds	Year Ended 31 July 2017 Total Funds	Period Ended 31 July 2016 Total Funds
	Notes	£	£	£	£
Incoming Resources from:					
Charitable activities	5	1,555,084	-	1,555,084	1,862,095
Donations	6	6,018	10,347	16,365	24,823
Investment income	7	17	-	17	510
Total Incoming Resources		<u>1,561,119</u>	<u>10,347</u>	<u>1,571,466</u>	<u>1,887,428</u>
Resources Expended from:					
Costs of charitable activities	8	1,523,810	3,274	1,527,084	1,866,980
Other resources expended	10	3,519	-	3,519	5,033
Total Resources Expended		<u>1,527,329</u>	<u>3,274</u>	<u>1,530,603</u>	<u>1,872,013</u>
Net Movement in Funds	19	33,790	7,073	40,863	15,415
Total funds at 1 August 2016		364,197	50,910	415,107	399,692
Total funds at 31 July 2017		<u><u>397,987</u></u>	<u><u>57,983</u></u>	<u><u>455,970</u></u>	<u><u>415,107</u></u>

The notes on pages 10 to 18 form part of these accounts.

Balance Sheet

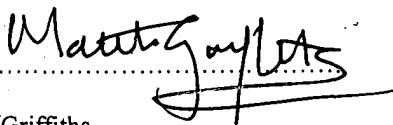
Charity Number: 1139447

as at 31 July 2017

	Notes	As at 31 July 2017 £	As at 31 July 2016 £
Fixed Assets			
Tangible fixed assets	13	67,610	80,146
Current Assets			
Debtors	15	282,871	184,113
Cash at bank and in hand		268,068	308,720
		<u>550,939</u>	<u>492,833</u>
Creditors:			
Amounts falling due within one year	16	(150,678)	(139,171)
Net current assets		<u>400,261</u>	<u>353,662</u>
Total assets less current liabilities		<u>467,871</u>	<u>433,808</u>
Creditors:			
Amounts falling due after more than one year	17	(11,901)	(18,701)
		<u>455,970</u>	<u>415,107</u>
Funds of the Charity			
Restricted Income Funds	19	57,983	50,910
Unrestricted Income Funds	19	397,987	364,197
Total funds		<u>455,970</u>	<u>415,107</u>

These accounts were approved by the board on

25/1/2018


Dr M Griffiths
Trustee and Director

AREA 51 EDUCATION LIMITED

Statement of Cash Flows

for the year ended 31 July 2017

	Notes	2017	2016
		£	£
Cash flows from operating activities			
Cash (absorbed by)/generated from operations	24	(22,726)	147,976
Interest paid		(1,313)	(2,406)
Net cash (outflow)/inflow from operating activities		<u>(24,039)</u>	<u>145,570</u>
Investing activities			
Purchase of tangible fixed assets		(9,831)	(6,210)
Interest received		17	510
Net cash used in investing activities		<u>(9,814)</u>	<u>(5,700)</u>
Financing activities			
Repayment of bank loans		(6,800)	(9,069)
Net cash used in financing activities		<u>(6,800)</u>	<u>(9,069)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(40,653)</u>	<u>130,801</u>
Cash and cash equivalents at beginning of year		308,721	177,920
Cash and cash equivalents at end of year		<u><u>268,068</u></u>	<u><u>308,721</u></u>

The notes on pages 10 to 18 form part of these accounts.

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 July 2017

1 Principal Accounting Policies

Accounting Convention

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

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

These financial statements for the year ended 31 July 2017 are the first financial statements Area 51 Education Limited have prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2015. The reported financial position and financial performance for the previous year are not affected by the transition to FRS 102.

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

Going concern

These accounts have been prepared on a going concern basis which assumes that the charity will continue in operational existence for the foreseeable future.

Incoming Resources

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

Resources Expended

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

Basic Financial Assets

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

Basic Financial Liabilities

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

Depreciation

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

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

Leases

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

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 July 2017

Fund Accounting - Unrestricted Funds

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

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

Fund Accounting - Restricted Funds

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

Pension Contributions

Retirement benefits to the employees of the company are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme and the assets are held separately from those of the company.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Employee Benefits

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

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

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

Key estimates

Included within other creditors is a provision for dilapidation costs amounting to £30,000 (2016: £30,000). The trustees consider this is a prudent estimate of costs the charity will incur when they are required to vacate the premises. The trustees are not currently aware of when the lease on the premises will be terminated, however communications with the landlord provide reasonable assurance that notice will be served in the next one to two years.

3 Ethical Standard - Provisions available for small entities

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

4 Turnover

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

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 July 2017

5	Incoming Resources from Charitable Activities	Unrestricted	Restricted	Total	Total
		Funds	Funds	2017	2016
		£	£	£	£
	Full time courses	754,738	-	754,738	880,765
	Education Funding Agency	800,346	-	800,346	952,314
	Learner Transport Recovery	-	-	-	29,016
		<u>1,555,084</u>	<u>-</u>	<u>1,555,084</u>	<u>1,862,095</u>
6	Incoming Resources from Donations	Unrestricted	Restricted	Total	Total
		Funds	Funds	2017	2016
		£	£	£	£
	Donations	6,018	10,347	16,365	24,823
		<u>6,018</u>	<u>10,347</u>	<u>16,365</u>	<u>24,823</u>
7	Investment Income	Unrestricted	Restricted	Total	Total
		Funds	Funds	2017	2016
		£	£	£	£
	Bank interest received	17	-	17	510
		<u>17</u>	<u>-</u>	<u>17</u>	<u>510</u>

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 July 2017

8	Costs of Charitable Activities	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
	Equipment and general purchases	38,718	-	38,718	40,435
	Learner transport and facilities hire	78,928	-	78,928	115,479
	Staff costs including employer's NI	1,037,725	-	1,037,725	1,267,131
	Subcontract labour	109,332	-	109,332	104,134
	Staff training	11,050	-	11,050	16,603
	Rent and service charges	126,091	-	126,091	122,566
	Rates	11,212	-	11,212	9,569
	Insurance	15,678	-	15,678	17,011
	Light and heat	11,525	-	11,525	12,991
	Cleaning	12,738	-	12,738	19,874
	Repairs and maintenance	11,814	-	11,814	12,602
	Dilapidation costs	-	-	-	30,000
	Printing, postage and stationery	8,007	-	8,007	8,250
	Advertising	452	-	452	341
	Telephone charges	3,215	-	3,215	3,596
	Computer running costs	1,527	-	1,527	2,361
	Hire of equipment	4,742	-	4,742	1,887
	Motor vehicle leasing	9,120	-	9,120	11,400
	Motor running costs	8,788	-	8,788	7,273
	Travelling expenses	4,956	-	4,956	4,606
	Entertaining	1,990	-	1,990	767
	Legal and professional fees	6,234	-	6,234	12,447
	Bad and doubtful debts	(17,367)	-	(17,367)	6,802
	Sundry expenses	453	-	453	49
	Charitable donations	-	-	-	40
	Governance costs (See note 9)	5,520	-	5,520	5,400
	Subscriptions	2,269	-	2,269	2,217
	Amortisation of leasehold improvements	15,298	-	15,298	20,397
	Depreciation of plant and machinery	1,439	-	1,439	2,626
	Depreciation of fixtures and fittings	1,377	3,274	4,651	7,696
	Depreciation of motor vehicles	979	-	979	83
	Loss/(profit) on disposal of fixed assets	-	-	-	347
		<u>1,523,810</u>	<u>3,274</u>	<u>1,527,084</u>	<u>1,866,980</u>
9	Governance Costs	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
	Accountancy charges	3,960	-	3,960	3,900
	Audit fee	1,560	-	1,560	1,500
		<u>5,520</u>	<u>-</u>	<u>5,520</u>	<u>5,400</u>
10	Other Resources Expended	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
	Bank charges	2,207	-	2,207	2,627
	Bank interest	107	-	107	752
	Bank loan interest	1,205	-	1,205	1,654
		<u>3,519</u>	<u>-</u>	<u>3,519</u>	<u>5,033</u>

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 July 2017

11 Staff Costs and Pensions

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Wages and salaries	948,906	-	948,906	1,167,905
Employers N.I. contributions	74,744	-	74,744	90,709
Teachers pension contributions	14,075	-	14,075	8,517
	<u>1,037,725</u>	<u>-</u>	<u>1,037,725</u>	<u>1,267,131</u>

No employee earned £60,000 or more. The average number of employees was 52 (2016: 47).

Three employees participated in the Teachers' Pension Scheme. During the year ended 31 July 2017, pension contributions for these staff amounted to £14,075 (2016: £8,517).

The total employee salary and employer's NI of the key management personnel of the charity were £54,624 (2016: £54,624).

12 Tax on surplus on ordinary activities

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

13 Tangible fixed assets

	Leasehold Improvements £	Plant and Machinery £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost					
At 1 August 2016	112,694	16,661	45,188	4,000	178,543
Additions in the year	-	1,596	8,235	-	9,831
Disposals in the year	-	-	-	-	-
At 31 July 2017	<u>112,694</u>	<u>18,257</u>	<u>53,423</u>	<u>4,000</u>	<u>188,374</u>
Depreciation					
At 1 August 2016	57,236	11,371	29,707	83	98,397
Charge for the year	15,298	1,439	4,651	979	22,367
Eliminated on disposal	-	-	-	-	-
At 31 July 2017	<u>72,534</u>	<u>12,810</u>	<u>34,358</u>	<u>1,062</u>	<u>120,764</u>
Net book value					
At 31 July 2017	<u>40,160</u>	<u>5,447</u>	<u>19,065</u>	<u>2,938</u>	<u>67,610</u>
At 31 July 2016	<u>55,458</u>	<u>5,290</u>	<u>15,481</u>	<u>3,917</u>	<u>80,146</u>

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 July 2017

14	Financial Instruments	2017	2016
		£	£
	Carrying amount of financial assets		
	Measured at amortised cost	221,734	131,625
		=====	=====
	Carrying amount of financial liabilities		
	Measured at amortised cost	115,158	103,771
		=====	=====
15	Debtors	2017	2016
		£	£
	Trade debtors	183,641	97,352
	Other debtors	38,093	34,273
	Prepayments	24,704	19,940
	Accrued income	36,433	32,548
		282,871	184,113
		=====	=====

Other debtors totalling £24,324 (2016: £24,324) are recoverable after more than one year.

16	Creditors: Amounts falling due within one year	2017	2016
		£	£
	Bank loan instalments (secured)	6,800	6,800
	Trade creditors	6,408	2,911
	Taxation and social security	57,429	40,262
	Accruals	5,520	5,400
	Provision for dilapidations	30,000	30,000
	Other creditors	44,521	53,798
		150,678	139,171
		=====	=====

The bank loan is secured by way of a fixed and floating charge over the assets of the company.

17	Creditors: Amounts falling due after more than one year	2017	2016
		£	£
	Bank loan instalments (secured)	11,901	18,701
		=====	=====
	Bank loans repayable by instalments falling due after more than 5 years	-	-
		=====	=====

The bank loan is secured by way of a fixed and floating charge over the assets of the company.

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 July 2017

18 Operating Lease Commitments

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

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

	2017 £	2016 £
In less than one year	129,836	129,836
In two to five years	206,742	333,654
	=====	=====

19 Reserves

	Balance at 1 August 2016 £	Movement in the year £	Balance at 31 July 2017 £
Unrestricted funds	364,197	33,790	397,987
Restricted funds	50,910	7,073	57,983
	415,107	40,863	455,970
	=====	=====	=====

20 Called up share capital

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

21 Control

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

22 Related Party Transactions

During the year there were no related party transactions.

23 Pensions

The company's employees belong to a defined benefit scheme, the Teachers' Pension Scheme.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012.

Contributions amounting to £3,333 (2016: £1,514) were payable to the scheme at 31 July 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014 by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic also for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Whilst members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid from public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the TPS was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates at 16.48% of pensionable pay
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion; and
- an employer cost cap has been set of 10.9% of pensionable pay

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

The next actuarial valuation is due to be completed in 2018, and will be based on scheme data as at 31 March 2016.

Under the definitions set out in Financial Reporting Standard (FRS 102), the TPS is a multi-employer pension scheme. The company is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the company has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The company has set out above the information available on the scheme.

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 July 2017

24 Cash generated from operations

	2017 £	2016 £
Surplus for the year	40,863	15,415
Adjustments for:		
Finance costs	1,313	2,406
Investment income	(17)	(510)
Loss on disposal of tangible fixed assets	-	347
Depreciation and impairment of tangible fixed assets	22,367	30,802
Movements in working capital:		
(Increase)/decrease in debtors	(98,759)	257,631
Increase/ (decrease) in creditors	11,507	(158,115)
Cash (absorbed by)/generated from operations	<u><u>(22,726)</u></u>	<u><u>147,976</u></u>