

Company Number: 06724508
Charity Number: 1139447

AREA 51 EDUCATION LIMITED

Report and Accounts

for the year ended 31 March 2014

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AREA 51 EDUCATION LIMITED

Report and Accounts

for the year ended 31 March 2014

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

12 and 13	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

Dr M Griffiths – Chairman and Secretary
Ms A Masson – Treasurer

Senior Staff

Miss N Quarterman

Auditors

Dickinsons Chartered Accountants
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' Annual Report

for the year ended 31 March 2014

Trustees' Annual Report

The trustees submit their report together with the audited accounts for the year ended 31 March 2014.

The accounts have been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice Accounting and Reporting by Charities and applicable accounting standards.

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' Annual Report

for the year ended 31 March 2014

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.

Risk Assessment

In order to comply with the Statement of Recommended Practice for Charity Accounts (SORP 2005) 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 review considered external factors and procedures that have been put in place to rectify those areas of potential vulnerability. These are monitored on an ongoing basis.

Achievements and Performance

In 2013-14, the Charity expanded slightly, increasing the number of learners enrolled to 48 and the staff and team to 35. A major review of the curricula offered to enrolled learners was undertaken and some substantial changes to the way in which education is delivered to our learners were introduced during the year.

Several young people completed successful work placements during the year and the Charity has joined a national programme led by another Independent Specialist College to further increase the number of young people with severe learning disabilities able to access work placements.

The allocation of funds from the Building Improvement Fund (BIS) during the year has enabled the Charity to carry out remedial works and improvements to the main premises, including relaying the floors in the main hall and reception areas and installing two new classrooms. The Charity has not achieved its aim of utilising the car park for outdoor learning space to date; Haringey Council has agreed to the creation of disabled parking bays outside of the building, but not to a safe drop-off zone. This has restricted options for safely dropping off learners outside of the car park.

Future Developments and Strategies

In the next 12 months, the trustees anticipate a significant rise in new applicants and fewer learners leaving the Charity's services. There will be a need to identify alternative premises as soon as possible. The Charity continues to maintain a level of reserves sufficient to secure a mortgage on suitable, long term premises.

Financial Review

The Statement of Financial Activities for the year is set out on page 5 of the accounts.

During the year, funds have been spent creating new classrooms which has allowed the Charity to increase its capacity and utilise the space available. Full time courses, the Charity's primary source of income have decreased from £805,702 in the prior year to £679,514 this year due to a greater focus on providing services as an Independent Specialist Provider.

Owing to its status as an Independent Specialist Provider, the charity received grants from the Education Funding Agency during the year amounting to £361,978 (2013: £339,291).

Costs have increased in the year mainly in relation to staff costs, which is the charity's core cost in meeting its objectives; these have increased from £469,459 in the prior year to £647,050 this year.

The results show a deficit for the year of £5,260 (2013: £391,206 surplus).

Statement of Trustees' Responsibilities

Company law requires the trustees, to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the company and of the deficit for that year. 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;

AREA 51 EDUCATION LIMITED

Trustees' Annual Report

for the year ended 31 March 2014

Make judgements and estimates that are reasonable and prudent;
State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Legal and Administrative Information

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 build up and maintain unrestricted reserves to a level to support the charity's core expenditure for a minimum period of 6 months.

Trustees

The trustees who served during the year were as follows:

Mr R Iddon (Deceased 5 May 2014)
Dr M Griffiths
Ms A Masson

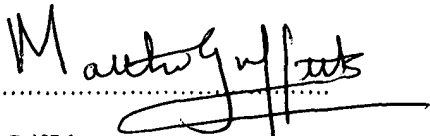
Auditors

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: 22/01/2015

AREA 51 EDUCATION LIMITED

Auditors' Report to the Trustees

for the year ended 31 March 2014

We have audited the accounts of Area 51 Education Limited for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

Respective responsibilities of the trustees' and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on pages 2 and 3), the trustees (who are also the directors of the charitable company for the purpose of company law) are also responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 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 Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you, if in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the accounts; or
- the charitable company has not kept adequate accounting records; or
- the accounts are not in agreement with the accounting records or returns or
- we have not received all the information and explanations we require for our audit.



Natalie Spalton (Senior statutory auditor)
for and on behalf of Dickinsons, Statutory Auditor

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

26 January 2015
Date

AREA 51 EDUCATION LIMITED

Statement of Financial Activities

for the year ended 31 March 2014

		Unrestricted Funds	Restricted Funds	2014 Total Funds	2013 Total Funds
	Notes	£	£	£	£
Incoming Resources					
Incoming resources from charitable activities	4	1,041,492	-	1,041,492	1,144,993
Voluntary income	5	198	32,611	32,809	58,782
Investment income	6	2,085	-	2,085	4,246
Total Incoming Resources		1,043,775	32,611	1,076,386	1,208,021
Resources Expended					
Charitable activities	7	1,028,296	41,912	1,070,208	806,234
Governance costs	8	4,320	-	4,320	4,200
Other resources expended	9	7,118	-	7,118	6,381
Total Resources Expended		1,039,734	41,912	1,081,646	816,815
Net Movement in Funds	17	4,041	(9,301)	(5,260)	391,206
Total funds at 1 April 2013		480,164	29,994	510,158	118,952
Total funds at 31 March 2014		484,205	20,693	504,898	510,158

The notes on pages 7 to 11 form part of these accounts.

Balance Sheet

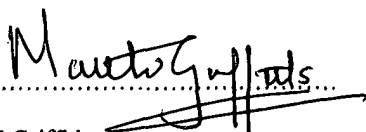
as at 31 March 2014

	Notes	2014		2013	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	12		110,533		71,889
Current Assets					
Debtors	13	242,734		130,934	
Cash at bank and in hand		271,286		394,322	
		<u>514,020</u>		<u>525,256</u>	
Creditors:					
Amounts falling due within one year	14	(85,087)		(45,618)	
		<u></u>		<u></u>	
Net current assets			428,933		479,638
Total assets less current liabilities			<u>539,466</u>		<u>551,527</u>
Creditors:					
Amounts falling due after more than one year	15		(34,568)		(41,369)
			<u>504,898</u>		<u>510,158</u>
Funds of the Charity					
Restricted Income Funds	17		20,693		29,994
Unrestricted Income Funds	17		484,205		480,164
Total Charity Funds			<u>504,898</u>		<u>510,158</u>

For the year ended 31 March 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies, however as the company is subject to audit under the Charities Act 2011; the trustees have opted to have an audit under the Companies Act 2006.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and the Financial Report Standard for Smaller Entities (effective April 2008).

These accounts were approved by the board on 22/01/2015



Dr M Griffiths
Trustee and Director

The notes on pages 7 to 11 form part of these accounts.

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 March 2014

1 Principal Accounting Policies

Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with the Companies Act 2006, the Statement of Recommended Practice accounting and Reporting by Charities and applicable accounting standards. The accounts include the results of the company's operations, which are described in the Trustees' Annual Report, all of which are continuing.

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.

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.

Fund Accounting

Unrestricted funds are those which are unrestricted and 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.

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.

Hire Purchase Commitments

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2 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.

3 Turnover

The turnover and operating deficit 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 March 2014

4	Incoming resources from charitable activities			2014	2013
				£	£
	Full time courses			679,514	805,702
	Education Funding Agency			361,978	339,291
				<u>1,041,492</u>	<u>1,144,993</u>
5	Voluntary income			2014	2013
				£	£
	Donations			<u>32,809</u>	<u>58,782</u>
6	Investment income			2014	2013
				£	£
	Rent received			-	3,524
	Bank interest received			2,085	630
	Other interest received			-	92
				<u>2,085</u>	<u>4,246</u>
7	Charitable activities	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
		£	£	£	£
	Equipment and general purchases	46,970	5,612	52,582	42,471
	Learner transport	73,123	-	73,123	56,571
	Staff costs including Employer's NI contributions	627,267	19,783	647,050	469,459
	Subcontract labour	72,443	-	72,443	86,729
	Staff training	8,578	-	8,578	4,574
	Rent and service charges	82,500	-	82,500	82,500
	Rates	6,427	-	6,427	5,951
	Insurance	10,250	-	10,250	5,009
	Light and heat	16,095	-	16,095	8,869
	Cleaning	13,218	-	13,218	1,397
	Repairs and maintenance	8,509	15,073	23,582	4,255
	Printing, postage and stationery	6,926	-	6,926	4,192
	Advertising	3,027	-	3,027	1,384
	Telephone charges	2,743	-	2,743	2,763
	Computer running costs	1,374	-	1,374	731
	Motor running costs	7,717	-	7,717	3,548
	Travelling expenses	949	-	949	430
	Entertaining	627	-	627	783
	Legal and professional fees	6,551	-	6,551	2,487
	Bad and doubtful debts	15,792	-	15,792	7,555
	Sundry expenses	768	-	768	796
	Subscriptions	248	-	248	878
	Amortisation of leasehold improvements	7,676	1,444	9,120	5,145
	Depreciation of plant and machinery	2,185	-	2,185	1,935
	Depreciation of fixtures and fittings	4,445	-	4,445	3,304
	Depreciation of motor vehicles	1,888	-	1,888	2,518
		<u>1,028,296</u>	<u>41,912</u>	<u>1,070,208</u>	<u>806,234</u>

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 March 2014

8 Governance costs

	2014	2013
	£	£
Accountancy charges	3,120	3,000
Audit fee	1,200	1,200
	<u>4,320</u>	<u>4,200</u>

9 Other resources expended

	2014	2013
	£	£
Bank charges	1,634	1,590
Bank interest	1,803	231
Bank loan interest	2,129	2,824
Hire purchase interest	1,552	1,736
	<u>7,118</u>	<u>6,381</u>

10 Staff costs and pensions

	2014	2013
	£	£
Wages and salaries	597,490	436,826
Employer's N.I. contributions	49,560	32,633
	<u>647,050</u>	<u>469,459</u>

No employee earned £60,000 or more. The average number of employees was 33 (2013: 31).

11 Tax on deficit on ordinary activities

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

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 March 2014

12 Tangible fixed assets

	Leasehold Improvements £	Plant and Machinery £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost					
At 1 April 2013	54,235	13,099	23,122	21,145	111,601
Additions in the year	44,725	319	11,238	-	56,282
At 31 March 2014	98,960	13,418	34,360	21,145	167,883
Depreciation					
At 1 April 2013	10,108	4,414	11,598	13,592	39,712
Charge for the year	9,120	2,185	4,445	1,888	17,638
At 31 March 2014	19,228	6,599	16,043	15,480	57,350
Net book value					
At 31 March 2014	79,732	6,819	18,317	5,665	110,533
At 31 March 2013	44,127	8,685	11,524	7,553	71,889

Included in the above are assets held under hire purchase contracts as follows:

	Motor Vehicles £
Net book value	
At 31 March 2014	Nil
At 31 March 2013	6,937
Depreciation charge for the year	
31 March 2014	1,734
31 March 2013	2,312

13 Debtors	2014 £	2013 £
Trade debtors	183,560	84,312
Other debtors	31,186	24,344
Prepayments	18,938	19,039
Accrued income	9,050	3,239
	242,734	130,934

Other debtors totalling £24,324 (2013: £24,324) are recoverable after more than one year.

14 Creditors: Amounts falling due within one year	2014 £	2013 £
Bank loan instalments (secured)	6,800	6,800
Trade creditors	48,956	7,617
Taxation and social security	15,580	13,289
Net obligation under hire purchase contracts	-	2,656
Accruals	4,320	10,283
Other creditors	9,431	4,973
	85,087	45,618

The bank loan is secured by way of a fixed and floating charge over the assets of the company.
Obligations under hire purchase contracts are secured on the assets concerned.

AREA 51 EDUCATION LIMITED

Notes forming part of the Accounts

for the year ended 31 March 2014

15	Creditors: Amounts falling due after more than one year	2014	2013
		£	£
	Bank loan instalments (secured)	34,568	41,369
		<u> </u>	<u> </u>
	Bank loans repayable by instalments falling due after more than 5 years	7,367	14,167
		<u> </u>	<u> </u>

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

16 Financial Commitments

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

		Property	
		2014	2013
		£	£
Expiry date:			
Over five years		82,500	82,500
		<u> </u>	<u> </u>

17	Reserves	Balance at 1 April 2013	Movement in the year	Balance at 31 March 2014
		£	£	£
	Unrestricted funds	480,164	4,041	484,205
	Restricted funds	29,994	(9,301)	20,693
		<u>510,158</u>	<u>(5,260)</u>	<u>504,898</u>

18 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 a winding up of the company.

19 Control

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