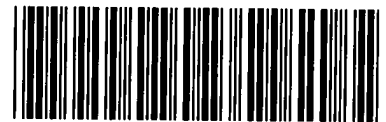


Charity Registration Number: 1136446
Company Registration Number: 7150417

RED BALLOON LEARNER CENTRE READING
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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COMPANIES HOUSE

**Red Balloon Learner Centre Reading
Trustees Report and Financial Statements
For the year ended 31 August 2019**

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**Red Balloon Learner Centre Reading
Charity Information
For the year ended 31 August 2019**

Name	Red Balloon Learner Centre Reading (the "charity" or "company")	
Registered Office	220 Kings Road, Reading, Berkshire, RG1 4JJ	
Company Registration Number	7150417	
Charity Registration Number	1136446	
Trustees	The Board of Trustees and Directors of the charity at the date that the report and accounts were approved were:	
	Alasdair Pearson (Chair)	Appointed 13 November 2019
	Georga Godwin	
	Christopher Gallimore	
	Dr John Nicholsby	Appointed 19 September 2018
	Gavin McDonald	Appointed 31 October 2018
	Dov Whittle	Appointed 13 November 2019
	Tony Lake	Appointed 12 February 2020
	Nick Forgham	Resigned 20 March 2019
	Fran Miller	Resigned 29 September 2019
	Michael Wallace	Resigned 9 November 2019
	Trevor Sharp	Resigned 31 October 2018
Headteacher	Tristan McGuinness	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill, West Malling Kent ME19 4JQ	
Independent Examiner	Edwin Smith Chartered Accountants 32 Queens Road Reading RG1 4AU	

**Red Balloon Learner Centre Reading
Report of the Trustees
For the year ended 31 August 2019**

Object of the Charity

The object of the charity is to advance the education of children aged 11 to 18 at the Red Balloon Learner Centre, being students who are victims of severe bullying, or by reason of other emotional or mental health trauma, are for the time being unable to attend mainstream schools. This is achieved by providing tuition and appropriate support for them in a safe learning environment until they are ready to return to mainstream education or enter employment.

Governance

The charity has a Board of Trustees who are responsible for the governance of the charity. The Board of Trustees has the power to appoint new trustees. People who come to the trustee's attention as having relevant experience, interest or expertise are asked if they would consider becoming a trustee, are interviewed by other trustees and, if it is considered appropriate, are introduced to all of the trustees. All trustees are subject to DBS checks.

The Board aims to meet 6 times per year and holds an AGM in the Spring Term. At each meeting student progress is reviewed and regular management accounts are provided for review by the Trustees. Safeguarding is also included as an agenda item at each meeting.

Management

The Board of Trustees, in consultation with the Coordinator, make decisions on staffing, budgeting, and performance reviews.

Trustees need to raise local public awareness of the need of 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 local fundraising and engaging local businesses and schools in volunteering services or fundraising for us.

Red Balloon Learner Centre Reading is part of the wider Red Balloon Group. This provides a forum for the Trustees and staff to share experiences, discuss common problems and make joint representations to the Board of Red Balloon Learner Centre Group

Risk analysis

The trustees have examined the major strategic and operational risks which the charity faces. The two main areas of concern are:

1. Safeguarding and continued education of the students

Safeguarding of students is of the highest priority. Ongoing staff training in Health & Safety and Child Protection is provided regularly. In addition, a full range of policies are regularly reviewed by staff and trustees.

2. Sourcing of funding for students

Staff, supported by Trustees, continue to make strenuous efforts building and maintaining good relationships with education establishments and local authorities. The Trustees and Coordinator have developed a fee pricing structure that reflects the varying support and educational needs of each student.

**Red Balloon Learner Centre Reading
Report of the Trustees (continued)
For the year ended 31 August 2019**

Achievements and Performance of the Charity

The trustees are satisfied with the performance of the charity for the year ending 31 August 2019. The objectives of the charity are only achieved through the skill, hard work and dedication of the staff and volunteers at Red Balloon and as Trustees we are indebted to the team.

The charity started the year supporting 17 students and by the end of the year were supporting 20 students. From these students, 13 were still with us at the start of the 2019/20 academic year and of those who left 3 moved on to further education, 1 entered employment and 1 transitioned back to Red Balloon of the Air. One student took a gap year as they settled into independent living.

Six of our students sat GCSE exams in the summer of 2019 and the results were positive:

- Three students sat Maths: 67% achieved a grade 4 and 33% achieved a grade 3
- Five students sat GCSE English Language: 20% achieved grade 6, 20% achieved grade 5, 40% achieved grade 3 and 20% achieved grade 1
- One student sat iGCSE Science and achieved grade 3
- One student sat GCSE History and achieved grade 4
- One student sat GCSE Art, Craft and Design and achieved grade 7

Red Balloon is not just about academic results but about given students a wider learning experience and focusing on wellbeing and personal development. Significant time, energy and expertise is given to ensuring this is achieved.

Wellbeing

This year we enhanced our specific wellbeing support for students who need additional help beyond the small classroom teaching and therapeutic provision provided. Providing one-to-one teaching at the beginning of the placement has allowed some students to settle into the Centre and work towards building relationships with staff and students.

Our Art and Music therapists provide confidential counselling as well as individual and group well-being sessions for all students. Circle Time allows the community to come together to reflect, discuss our values and share our challenges and successes.

The team works closely with students to foster a sense of community at the Centre. This includes eating together, celebrating birthdays & holidays, and discussing current news. Respect for each other and building trusting relationships is key to the work we do.

Physical education continues to be an important part of our well-being offer with students having had the opportunity to take part in a range of sports including basketball, trampolining, gymnastics, rock climbing, archery, kayaking, paintballing and boxing.

**Red Balloon Learner Centre Reading
Report of the Trustees (continued)
For the year ended 31 August 2019**

Achievements and Performance of the Charity (continued)

Wider learning and personal development

Academic lessons are complimented by a range of enrichment activities which include trips to museums, theatres and cultural events. This included an English trip to see Wicked, a History trip to Windsor Castle, a Science trip to the Zoo, and Art trips to the National Portrait Gallery and Tate Modern. Two students also took part in the Holocaust Project and spent a day in Auschwitz learning about history first-hand.

It is our hope that this offer of academic and therapeutic activities provides the students with a range of ways to increase self-esteem and develop emotional regulation as well as social and life skills. As at other Red Balloon Learner Centres, achievement and performance at Red Balloon Reading will be measured by the increase in self-esteem and confidence of each student, in their ability to hold their own in the wider world and in their understanding of themselves and others.

Future plans of the Charity

The Trustees and staff continually look to improve and develop the centre in Reading. During 2019-2020 we are planning significant improvements to the physical building to make better use of the space and provide the students with an even better learning experience. This has been made possible in part through Grants from the The Earley Charity.

We are also fundraising to be able to provide equine therapy as an additional therapeutic offer to students.

We are also planning to employ for the first time a PSHEE teacher, Special Education Needs Coordinator and Family Outreach Worker to ensure we continue to provide a holistic support to each student and family we work with. A member of staff will also become the Careers Lead to ensure we are providing students with a range of opportunities to learn about careers, engage in work placements and design their path in education or work when they are ready to leave the Centre.

Financial review

Total unrestricted income during the period was £408,181 (2018 - £388,318) an increase of 5.1%. This consisted largely of income from the local authorities which was received to fund the education and wellbeing of the students whilst outside mainstream education. Total restricted donations in the year were £9,875 (2018- £18,314), see note 8 for details of these funds.

Total expenditure was £365,646 (2018 - £385,063) and was incurred in performance of the charitable activities of the company, including staffing, utilising the Red Balloon of the Air provision, rent, utilities and other general running costs.

An unrestricted surplus of £52,410 was recorded, bringing total unrestricted funds to £113,907 and within our targeted reserve policy.

We would like to thank all those that have fundraised, donated and volunteered time during the year.

Reserves policy

The Trustees policy on financial reserves is to ensure a minimum of 3-6 months of reserves are held in the bank account.

The investment policy and objectives

The trustees' policy on investment is to retain the surplus funds in interest bearing deposit accounts.

**Red Balloon Learner Centre Reading
Report of the Trustees (continued)
For the year ended 31 August 2019**

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of the Red Balloon Learner Centre Reading for the purposes of company law) are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Standards and applicable law. Under company law the directors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practices: Accounting and Reporting by Charities (2015);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, comprising FRS102, have been followed, subject to any material differences and explained in the financial statements, and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 regulations made under the Charities Act and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the Trustees



Gavin McDonald
Trustee and Director
29 April 2020

Red Balloon Learner Centre Reading
Independent Examiner's report to the Trustees
For the year ended 31 August 2019

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2019, which are set out on pages 9 to 14.

Responsibilities and basis of report

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

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

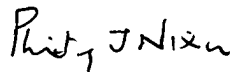
Independent examiner's report

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

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

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

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



Philip J Nixon FCA
EDWIN SMITH
Chartered Accountants
32 Queens Road
Reading RG1 4AU

29 April 2020

Red Balloon Learner Centre Reading
Statement of Financial Activities
For the year ended 31 August 2019

	Notes	Unrestricted Funds	Restricted Funds	31 August 2019 Total	31 August 2018 Total
		£	£	£	£
INCOME FROM:					
Donations		619	9,875	10,494	31,388
Charitable activities	4	407,542	-	407,542	375,241
Interest received	3	20	-	20	3
Total income		408,181	9,875	418,056	406,632
EXPENDITURE ON:					
Charitable Activities					
Red Balloon of the Air costs		75,436	-	75,436	109,008
Wages and salaries	11	204,598	8,063	212,661	203,046
Other teaching resources		3,865	305	4,170	4,691
Training and recruitment		3,841	-	3,841	2,180
Travel and subsistence		1,097	-	1,097	1,131
Rent and rates		27,131	-	27,131	27,124
Utilities		3,581	-	3,581	3,157
Insurance		63	-	63	1,519
Repairs and maintenance		9,026	-	9,026	3,591
Communication		1,844	-	1,844	1,298
Accommodation, food and cleaning		6,285	25	6,310	5,971
Office equipment		889	-	889	813
Small equipment		1,821	424	2,245	4,480
Professional services		5,752	-	5,752	5,803
Red Balloon Group support fees		8,083	-	8,083	7,833
Independent examiners fee		1,200	-	1,200	1,140
Sundry operating expenditure		2,180	137	2,317	2,278
Total expenditure		356,692	8,954	365,646	385,063
Net income for the year		51,489	921	52,410	21,569
Fund balances brought forward	8	62,418	10,486	72,904	51,335
TOTAL FUNDS CARRIED FORWARD	8	113,907	11,407	125,314	72,904

All amounts relate to continuing activities of the company.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 11 -14 form part of these financial statements.

Red Balloon Learner Centre Reading
Balance Sheet
At 31 August 2019

	Notes	31 August 2019 £	31 August 2018 £
Current Assets			
Debtors	6	65,519	30,640
Cash at bank and in hand		<u>210,103</u>	<u>101,571</u>
		275,622	132,211
 Creditors: Amounts falling due within one year	 7	 (150,308)	 (59,307)
 Total assets less current liabilities		 <u>125,314</u>	 <u>72,904</u>
Net assets		<u>125,314</u>	<u>72,904</u>
 Financed by:			
Unrestricted Funds	8	113,907	62,418
Restricted Funds	8	<u>11,407</u>	<u>10,486</u>
Total Funds		<u>125,314</u>	<u>72,904</u>

For the year ending 31 August 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of these financial statements under the requirements of section 476 of the Companies Act 2006.

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

These financial statements 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 with the Financial Reporting Standard 102 (FRS 102).

The notes on pages 11 – 14 form part of these financial statements.

The financial statements were approved by the Board of Trustees and Directors on 1 April 2020 and signed on their behalf by:



Gavin McDonald
Trustee and Director
29 April 2020

Company Registration Number: 7150417

Red Balloon Learner Centre Reading
Notes to the Accounts
For the year ended 31 August 2019

1. ACCOUNTING POLICIES

Company information

Red Balloon Learner Centre Reading is a registered charity and a company limited by guarantee incorporated in England and Wales on 9 February 2010. The registered office is 220 Kings Road, Reading, Berkshire, RG1 4JJ.

The charity constitutes a public benefit entity as defined by FRS 102.

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial reporting Standard in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The charity has taken advantage of the exemption for smaller charities to produce a cash flow statement.

Going concern

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 have therefore continued to adopt the going concern basis in preparing these financial statements.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to, and sufficiently certain to receive, the income and the amount can be quantified with reasonable accuracy. The following policies apply to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full when receivable.
- Incoming resources from charitable activities are accounted for when earned. Deferred income relates to student fees which relate to future accounting periods.

Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

Red Balloon Learner Centre Reading
Notes to the Accounts
For the year ended 31 August 2019

Pension schemes

Employees of the charity are automatically enrolled into a defined contribution scheme unless they have exercised their right to opt out. The charity contribution is restricted to the contributions disclosed in note 11. The costs of the defined contribution scheme are included within unrestricted funds.

Fixed assets

Expenditure on fixed assets is only capitalised where it exceeds £500. There is currently no fixed asset expenditure capitalised in the accounts.

Debtors

Debtors are recognised at the settlement amount due.

Cash at bank and in hand

Cash at bank and in hand includes cash and cash held at bank current accounts and short term highly liquid investments held on deposit accounts.

Creditors

Creditors and provisions are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Operating leases

Operating leases are recognised over the period of which the lease falls due on a straight line basis.

3. INTEREST RECEIVED

	31 August 2019 £	31 August 2018 £
Bank interest received	<u>20</u>	<u>3</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31 August 2019 £	31 August 2018 £
Student fees	<u>407,542</u>	<u>375,241</u>

Red Balloon Learner Centre Reading
Notes to the Accounts
For the year ended 31 August 2018

5. TAXATION

No liability to UK corporation tax arises as the company enjoys charitable status.

6. DEBTORS

	31 August 2019 £	31 August 2018 £
Trade debtors	65,090	27,617
Amounts owed by other Red Balloon Centres	429	1,845
Prepayments	-	1,178
	<u>65,519</u>	<u>30,640</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 August 2019 £	31 August 2018 £
Trade creditors	-	540
Amounts owed to other Red Balloon Centres	-	5,550
Taxes and social security	2,768	-
Deferred income	144,948	51,590
Other creditors and accruals	2,592	1,627
	<u>150,308</u>	<u>59,307</u>

8. MOVEMENT IN FUNDS

	Balance at 31 August 2018 £	Incoming resources £	Resources expended £	Balance at 31 August 2019 £
<u>Unrestricted Funds:</u>				
General Funds	62,418	408,181	(356,692)	113,907
Total Unrestricted Funds	<u>62,418</u>	<u>408,181</u>	<u>(356,692)</u>	<u>113,907</u>
<u>Restricted Funds:</u>				
Bursary	31	3,760	-	3,791
Dark Room	-	700	(424)	276
Music Therapy	10,455	5,000	(8,199)	7,256
Wellbeing Room	-	415	(331)	84
Total Restricted Funds	<u>10,486</u>	<u>9,875</u>	<u>(8,954)</u>	<u>11,407</u>
Total:	<u>72,904</u>	<u>418,056</u>	<u>(365,646)</u>	<u>125,314</u>

Red Balloon Learner Centre Reading
Notes to the Accounts
For the year ended 31 August 2019

8. MOVEMENT IN FUNDS (CONTINUED)

Purposes of restricted Funds

- Bursary - Funds to contribute to a Bursary for a student to attend Red Balloon Reading.
- Dark Room - Funds to develop a photography dark room at Red Balloon Reading.
- Music Therapy - The Red Balloon Group provided funds to cover the cost of a music therapist.
- Wellbeing Room - Funds to develop a dedicated wellbeing room for our students and staff.

9. SHARE CAPITAL

The company is limited by guarantee and as such does not have any share capital.

10. LEASE COMMITMENTS

At 31 August 2019 the company had a total of future minimum lease payments under non –cancellable operating leases for each of the following periods:

	31 August 2019 £	31 August 2018 £
Operating lease which expires:		
Not later than one year	1,875	20,625
Later than one year but not later than 5 years.	-	-
	<u>1,875</u>	<u>20,625</u>

The Company leases a property from Red Balloon Learner Centre Group.

11. STAFF COSTS

- Wages and salaries for employees (excluding employers National Insurance Contributions) for the year amounted to £197,118 (2018 - £187,726).
- Social security costs for the year amounted to £9,940 (2018 - £9,256).
- Employer's pension costs for the year amounted to £2,722 (2018 - £1,763).
- No employee earned £60,000 p.a. or more.
- There was an average of 14 staff (2018 - 12 staff) paid during the year.
- The key management personnel of the charity comprise the trustees, the Charity Coordinator and Deputy Coordinator. The total employee benefits of the key management personnel of the Trust were £66,325 (2018 - £66,381).

12. TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

No members of the Board of Trustees and Directors received any remuneration during the year or prior year and no expenses were reimbursed.

No trustee or other person related to the charity has any personal interest in any contract or transaction entered into by the charity during the year or prior year.

There were no related party transactions outside of those transactions with other Red Balloon entities.

The sole member of the Company is Red Balloon Learner Centre Group (company number 05385341). Copies of its consolidated accounts, which include the Company, are available from its registered address Winship House, Winship Road, Milton, Cambridge, England, CB24 6AP.