

Charity Registration Number: 1136446
Company Registration Number: 07150417

RED BALLOON LEARNER CENTRE READING
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



**Red Balloon Learner Centre Reading
Trustees Report and Financial Statements
For the year ended 31 August 2018**

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**Red Balloon Learner Centre Reading
Charity Information
For the year ended 31 August 2018**

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 during the year ended 31 August 2018 and at the date that the report and accounts were approved were:

Nick Forgham (Chair)

Fran Miller

Georga Godwin

Appointed 24 January 2018

Michael Wallace

Appointed 15 November 2017

Christopher Gallimore

Appointed 15 November 2017

Dr John Nicholsby

Appointed 19 September 2018

Gavin McDonald

Appointed 31 October 2018

Stephanie Franklin

Resigned 24 January 2018

Trevor Sharp

Resigned 31 October 2018

Graeme Stretton

Resigned 21 March 2018

Coordinator Emma Goodfellow

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 2018**

Objects of the Charity

The objects of the charity are to advance the education of children aged 9 to 18 at the Red Balloon Learner Centre, being students who for the time being are unable to attend mainstream schools, by providing tuition for them in a safe learning environment until they are ready to return to mainstream education or employment.

The aim of the charity is the recovery of children who have been severely bullied and/or who have suffered extreme emotional or mental health trauma. We provide an 'intensive care' full time education and support programme. Therapy and counselling are offered to students and families.

Governance

The Board of Trustees has the power to appoint new trustees by decision of the Trustees. People who come to members of the Board's attention as having relevant experience, interest or expertise are asked if they would consider becoming a trustee, and if it is considered appropriate, are introduced to the rest of the Board.

Management

The Board of Trustees, in consultation with the Coordinator, make decisions on staffing, budgeting, and performance reviews. Trustees within the Group with specialist knowledge are consulted about financial, employment and other human resources issues.

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.

The trustees have identified two main concerns:

1. Continued referrals of students to the centre.

The Learner Centre staff supported by Trustees, continue to make strenuous efforts building and maintaining good relationships with education establishments and local authorities.

2. Safeguarding and continued education of the students.

Safeguarding the students is of the highest priority. Ongoing staff training in Health and Safety and child protection is provided regularly and, as new staff are appointed, the relevant training is made available.

Red Balloon Learner Centre Group and Red Balloon of the Air

Red Balloon Learner Centre Reading is part of the wider Red Balloon Group. This provides a forum for the Trustees to share experiences, discuss common problems and make joint representations to the Board of Red Balloon Learner Centre Group. The aims of the latter are to raise awareness of the issue of children who are not receiving an education because of severe bullying, to provide quality assurance with respect to the provision offered by each Red Balloon centre, and to raise funds to establish new Red Balloon Centres and carry out training.

Since 2016 Red Balloon Learner Centre Reading has also worked closely with Red Balloon of the Air to identify and support students in the region who access the Group's on-line learning provision. Over the year, five Air students came onto Red Balloon Learner Centre Reading's register.

**Red Balloon Learner Centre Reading
Report of the Trustees (continued)
For the year ended 31 August 2018**

Activities of the Charity

In 2017/18, the Learner Centre operated from 8:30am – 4.30pm each day for 36 weeks of the year. The Centre employed a Co-ordinator, Deputy Co-ordinator, three full-time teachers, one full-time teaching assistant, one part-time support worker, an art therapist, a music therapist, a Tech teaching assistant and a number of non teaching roles. All roles including Trustees and volunteers are DBS checked.

The nature of our students at the Centre requires a staff who are able to work flexibly, take on additional responsibilities and have the skills to nurture vulnerable and disengaged children. We are fortunate to have staff and volunteers who come with a range of backgrounds and skills to help facilitate this. As trustees we are indebted to the team.

Achievements and Performance of the Charity

The charity started the year with 8 students and by the end of the year was supporting 17 students, including some who were part-time. From these students, 11 were still with us at the start of the 2018/19 academic year. 5 leavers all moved on to further education and 1 transitioned back to mainstream secondary school.

5 of our students sat GCSE exams in the summer of 2018. The GCSE results were positive in particular some strong results in English. History was also above expectations. Maths results were lower than expected and this will be an area of focus for 2018/19.

In addition to academics, wellbeing and personal development continued to be a focus. Wellbeing has been further developed this academic year through training one of our Student Support Assistants in Emotional Literacy. This has allowed students to have access to sessions and resources which have been designed to specifically meet students needs. We have also developed community activities such as circle time in order for more students to attend. During the 2017/18 academic year we began to seek feedback from parents on the wellbeing on our young people through sending SDQ home.

Physical education also continued to be an important part of our well-being offer. Students had the opportunity to take part in a range of sports including basketball, trampolining and gymnastics.

This year, all subject areas were encouraged to arrange a trip out for a group of students in order to build up to a summer residential. Examples of trips include going to London to see The Lion King, a visit to Jane Austen's house, Kidzania, Dinton Pastures and a behind the scenes tour of Reading railway station.

This resulted in our first summer residential at the Gordon Brown Centre being a success with 7 students and three staff members taking part. There was a range of outdoor activities including rock climbing, archery, paintball and an obstacle course.

Activities like trips and the residential are only possible through fundraising. Therefore, over the year the Centre has also increased its fundraising activity by building relationships with local businesses. We began actively contacting businesses and applying to local fundraising grants. Furthermore, we encourage the students to not only fundraise on their behalf but on the behalf of others who may also need support. We again took part Anti-Bullying Week, World Homelessness Day, Children in Need and Comic Relief.

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

**Red Balloon Learner Centre Reading
Report of the Trustees (continued)
For the year ended 31 August 2018**

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.

Donations and fundraising

We would like to thank all those that have donated and volunteered time during the year. As trustees we are determined to find the right balance to utilise the funds donated to us for the needs of the children as well as ensuring that the charity has a secure future.

We are grateful to those local businesses and schools who have supported us by undertaking fundraising to benefit the centre as well as other facilities in the local area helping us by sharing the use of appropriate facilities.

Financial review

Total unrestricted donations received in the year were £13,074 (year ended 31 August 2017 - £15,104). Income from charitable activities of £375,241 comprised the income from the local authorities (including bursaries) and which was received to fund the education of the students whilst outside mainstream education (year ended 31 August 2017 - £195,416).

Total restricted donations in the year were £18,314 (year ended 31 August 2017- £2,700), see note 8 for details of these funds.

Various expenses were incurred relating to the charitable activities of the company, including staffing and general running costs. More details are shown on page 14.

Reserves policy

The Trustees policy on financial reserves is to ensure a minimum of 3-6 months of reserves is always held in the bank account but this is under review and dependant on cash flow.

The investment policy and objectives

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

Statement of Trustees' and Directors' Responsibilities

Company law requires the Board to prepare financial statements for each financial year. Under that law the board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 surplus or deficit of the company for that year. In preparing those financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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.

**Red Balloon Learner Centre Reading
Report of the Trustees (continued)
For the year ended 31 August 2018**

Statement of Trustees' and Directors' Responsibilities (continued)

The trustees and directors are also 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 and Directors

A handwritten signature in black ink, appearing to read 'N. Forgham', written over a horizontal line.

Nick Forgham – Trustee and Director
23 January 2019

Red Balloon Learner Centre Reading
Independent Examiner's report to the Trustees
For the year ended 31 August 2018

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2018, 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.

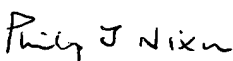
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (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.

On behalf of:
EDWIN SMITH
CHARTERED ACCOUNTANTS

32 Queens Road
Reading RG1 4AU

Signed:  Date: 7/2/2019
Philip J Nixon FCA

Red Balloon Learner Centre Reading
Statement of Financial Activities
For the year ended 31 August 2018

	Notes	Unrestricted Funds	Restricted Funds	31 August 2018 Total	31 August 2017 Total
		£	£	£	£
INCOME FROM:					
Donations		13,074	18,314	31,388	15,104
Charitable activities	4	375,241	-	375,241	195,416
Interest received		3	-	3	5
Total income		388,318	18,314	406,632	210,525
EXPENDITURE ON:					
Charitable Activities					
Red Balloon of the Air costs		109,008	-	109,008	-
Wages and salaries	11	195,218	7,828	203,046	178,629
Other teaching resources		4,691	-	4,691	776
Training and recruitment		2,180	-	2,180	2,534
Travel and subsistence		1,131	-	1,131	-
Rent and rates		27,124	-	27,124	26,804
Utilities		3,157	-	3,157	3,053
Insurance		1,519	-	1,519	990
Repairs and maintenance		3,591	-	3,591	7,138
Communication		1,298	-	1,298	1,172
Accommodation, food and cleaning		5,971	-	5,971	3,459
Office equipment		813	-	813	1,867
Small equipment		4,480	-	4,480	707
Professional services		5,803	-	5,803	4,089
Red Balloon Group support fees		7,833	-	7,833	7,500
Activities		-	-	-	2,160
Independent examiners fee		1,140	-	1,140	1,228
Sundry operating expenditure		2,278	-	2,278	2,000
Total expenditure		377,235	7,828	385,063	244,106
Net income/(expenditure) for the year		11,083	10,486	21,569	(33,581)
Fund balances brought forward	8	51,335	-	51,335	84,916
TOTAL FUNDS CARRIED FORWARD	8	62,418	10,486	72,904	51,335

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 2018

	Notes	31 August 2018 £	31 August 2017 £
Current Assets			
Debtors	6	30,640	24,321
Cash at bank and in hand		101,571	103,319
		<u>132,211</u>	<u>127,640</u>
 Creditors : Amounts falling due within one year	7	 (59,307)	 (76,305)
 Total assets less current liabilities		 <u>72,904</u>	 <u>51,335</u>
Net assets		<u>72,904</u>	<u>51,335</u>
 Financed by:			
Unrestricted Funds	8	62,418	51,335
Restricted Funds	8	10,486	-
Total Funds		<u>72,904</u>	<u>51,335</u>

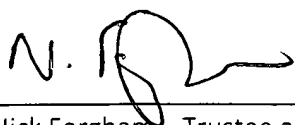
For the year ending 31 August 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of these financial statements under the requirements of section 476 of the Companies 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 23 January 2019 and signed on their behalf by:



Nick Forgham – Trustee and Director
23 January 2019

Company Registration Number: 07150417

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

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) issued on 16 July 2014 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.
- Investment income is included 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 2018

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 2018 £	31 August 2017 £
Bank interest received	<u>3</u>	<u>5</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31 August 2018 £	31 August 2017 £
Student fees	<u>375,241</u>	<u>195,416</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 2018 £	31 August 2017 £
Trade debtors	27,617	22,800
Amounts owed by other Red Balloon Centres	1,845	-
Prepayments	1,178	1,521
	<u>30,640</u>	<u>24,321</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 August 2018 £	31 August 2017 £
Trade creditors	540	-
Amounts owed to other Red Balloon Centres	5,550	-
Taxes and social security	-	2,933
Deferred income	51,590	69,083
Other creditors and accruals	1,627	4,289
	<u>59,307</u>	<u>76,305</u>

8. MOVEMENT IN FUNDS

	Balance at 31 August 2017 £	Incoming resources £	Resources expended £	Balance at 31 August 2018 £
Unrestricted Funds:				
General Funds	51,335	388,318	(377,235)	62,418
<i>Total Unrestricted Funds</i>	<u>51,335</u>	<u>388,318</u>	<u>(377,235)</u>	<u>62,418</u>
Restricted Funds:				
Red Balloon Group - Music Therapy	-	18,314	(7,828)	10,486
<i>Total Restricted Funds</i>	<u>-</u>	<u>18,314</u>	<u>(7,828)</u>	<u>10,486</u>
Total Funds	<u>51,335</u>	<u>406,632</u>	<u>(385,063)</u>	<u>72,904</u>

Purposes of restricted Funds

Music Therapy - The Red Balloon Group provided funds to cover the cost of a music therapist.

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

9. SHARE CAPITAL

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

10. LEASE COMMITMENTS

At 31 August 2018 the company had a total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

	31 August 2018 £	31 August 2017 £
Operating lease which expires:		
Not later than one year	20,625	22,500
Later than one year but not later than 5 years.	-	20,625
	<u>20,625</u>	<u>43,125</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 £187,726 (2017 - £145,212). In addition, other staff costs of £2,302 (2017 - £25,140) were incurred during the year for tuition services, etc.
- Social security costs for the year amounted to £11,255 (2017 - £7,133).
- Employer's pension costs for the year amounted to £1,763 (2017 - £910).
- No employee earned £60,000 p.a. or more.
- There was an average of 12 staff (2017 - 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 £60,412 (2017 - £58,468).

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) whose registered address is Winship House, Winship Road, Milton, Cambridge, England, CB24 6AP.