

Charity registration number: 1054083

# Rainbow Pre-School

Annual Report and Financial Statements  
for the Year Ended 31 August 2021

Mrs V Coffman FCCA  
Viewpoint Accountants Ltd  
Saxon House  
27 Duke Street  
Chelmsford  
Essex  
CM1 1HT

# **Rainbow Pre-School**

## **Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 3
Independent Examiner's Report	4 to 5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 to 12

## **Rainbow Pre-School**

### **Reference and Administrative Details**

<b>Trustees</b>	D Webb
	G Stevens
	E Harriman
	N Spencer
<b>Principal Office</b>	Chelmer Village Hall
	Chelmer Village Square
	Chelmsford
	Essex
<b>Charity Registration Number</b>	CM2 6RF
	1054083

# **Rainbow Pre-School**

## **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 August 2021.

### **Objectives and activities**

#### ***Public benefit***

The main activity of the charity has been the provision of a pre-school playgroup. In addition to parents fees, fundraising is achieved through a variety of means including fetes/bazaars, sale of photographs, raffles, quizzes, book sales, cake sales, guess the weight competitions, face painting events and sponsored events.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

### **Achievements and performance**

Due to the Covid pandemic, the demand for preschool places dropped. As at the year end there were 47 children in attendance of which 36 received funding.

### **Financial review**

#### ***Policy on reserves***

The charity has been building reserves annually to allow the pre-school to continue its operations should numbers drop. We want to make enough funds available for maintaining the quality of the provision now as well as saving for the future.

#### ***Principal funding sources***

Our primary funding sources are:

1. Essex County Council who provides 15/30 hours per week of early education entitlement for all 3 to 4 year olds.
2. Fees are payable for all children under 3 years old or having more than 15/30 hours per week.
3. Fundraising - we run fundraising events throughout the year to raise funds for new equipment.

### **Structure, governance and management**

#### ***Nature of governing document***

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

#### ***Recruitment and appointment of trustees***

The trustees (names committee roles) are appointed annually at the Committee AGM. Letters are issued to all parents asking them to stand.

## **Rainbow Pre-School**

### **Trustees' Report**

#### ***Major risks and management of those risks***

##### ***Risk Management***

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The charity is administered by the trustees who meet at least three times per year to discuss:

1. Policies and ways of implementing the purposes of the constitution
2. Ensure that the requirements of the Charity Commission, Ofsted and HMRC are being met.

The annual report was approved by the trustees of the charity on ..... and signed on its behalf by:

.....

D Webb

Trustee

## **Rainbow Pre-School**

### **Independent Examiner's Report to the trustees of Rainbow Pre-School**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2021 which are set out on pages 6 to 12.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of Rainbow Pre-School you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Rainbow Pre-School's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

#### **Independent examiner's statement**

The trustees were unable to provide bank statements or similar to confirm the value of funds held in the charity's deposit account. As such we were unable to obtain adequate assurance regarding the value of funds shown on the balance sheet.

In connection with my examination, apart from the matter referred above indicating that the accounts are not fully compliant with the accounting requirements of section 396 of the Companies Act and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
- have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

## **Rainbow Pre-School**

### **Independent Examiner's Report to the trustees of Rainbow Pre-School**

.....  
Mrs V Coffman  
FCCA

Viewpoint Accountants Ltd  
Saxon House  
27 Duke Street  
Chelmsford  
Essex  
CM1 1HT

Date:.....

## Rainbow Pre-School

### Statement of Financial Activities for the Year Ended 31 August 2021

	Note	Unrestricted funds £	Total 2021 £
<b>Income and Endowments from:</b>			
Charitable activities		106,931	106,931
<b>Expenditure on:</b>			
Charitable activities		<u>(125,922)</u>	<u>(125,922)</u>
Total Expenditure		<u>(125,922)</u>	<u>(125,922)</u>
Net movement in funds		(18,991)	(18,991)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>195,598</u>	<u>195,598</u>
Total funds carried forward	9	<u>176,607</u>	<u>176,607</u>
		Unrestricted funds £	Total 2020 £
	Note		
<b>Income and Endowments from:</b>			
Charitable activities		151,097	151,097
<b>Expenditure on:</b>			
Charitable activities		<u>(122,318)</u>	<u>(122,318)</u>
Total Expenditure		<u>(122,318)</u>	<u>(122,318)</u>
Net movement in funds		28,779	28,779
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>166,819</u>	<u>166,819</u>
Total funds carried forward	9	<u>195,598</u>	<u>195,598</u>

All of the charity's activities derive from continuing operations during the above two periods.



**Rainbow Pre-School**  
**(Registration number: 1054083)**  
**Balance Sheet as at 31 August 2021**

	Note	2021 £	2020 £
<b>Current assets</b>			
Cash at bank and in hand		177,267	196,858
<b>Creditors: Amounts falling due within one year</b>	7	<u>(660)</u>	<u>(1,260)</u>
<b>Net assets</b>		<u><u>176,607</u></u>	<u><u>195,598</u></u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>176,607</u>	<u>195,598</u>
<b>Total funds</b>	9	<u><u>176,607</u></u>	<u><u>195,598</u></u>

The financial statements on pages 6 to 12 were approved by the trustees, and authorised for issue on ..... and signed on their behalf by:

.....  
D Webb  
Trustee

## **Rainbow Pre-School**

### **Notes to the Financial Statements for the Year Ended 31 August 2021**

#### **1 Accounting policies**

##### **Statement of compliance**

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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

Rainbow Pre-School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### **Income and endowments**

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

##### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

##### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

## Rainbow Pre-School

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

#### Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

#### Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## 2 Income from charitable activities

	Unrestricted funds	Total 2021	Total 2020
	General £	£	£
Grants, Parents fees, Childcare vouchers and Funding	<u>106,931</u>	<u>106,931</u>	<u>151,097</u>

## Rainbow Pre-School

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 3 Expenditure on charitable activities

		<b>Unrestricted funds</b>		
	<b>Note</b>	<b>General £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Allocated support costs		17,946	17,946	20,776
Governance costs		107,976	107,976	101,542
		<u>125,922</u>	<u>125,922</u>	<u>122,318</u>

#### 4 Analysis of governance and support costs

##### Governance costs

		<b>Unrestricted funds</b>		
		<b>General £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Staff costs				
Wages and salaries		104,175	104,175	100,721
Social security costs		-	-	144
Pension costs		3,141	3,141	47
Audit fees				
Other fees paid to auditors		660	660	630
		<u>107,976</u>	<u>107,976</u>	<u>101,542</u>

## Rainbow Pre-School

### Notes to the Financial Statements for the Year Ended 31 August 2021

#### 5 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	104,175	100,721
Social security costs	-	144
Pension costs	3,141	47
	<u>107,316</u>	<u>100,912</u>

No employee received emoluments of more than £60,000 during the year

#### 6 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 7 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	<u>660</u>	<u>1,260</u>

#### 8 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £3,141 (2020 - £47).

# Rainbow Pre-School

## Notes to the Financial Statements for the Year Ended 31 August 2021

### 9 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>				
General	<u>(195,598)</u>	<u>(106,931)</u>	<u>125,922</u>	<u>(176,607)</u>
	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>				
General	<u>(166,819)</u>	<u>(151,097)</u>	<u>122,318</u>	<u>(195,598)</u>

## Rainbow Pre-School

### Statement of Financial Activities by fund for the Year Ended 31 August 2021

	Total Unrestricted funds 2021 £	Unrestricted funds 2020 £
<b>Income and Endowments from:</b>		
Charitable activities	106,931	151,097
Total income	<u>106,931</u>	<u>151,097</u>
<b>Expenditure on:</b>		
Charitable activities	(125,922)	(122,318)
Total expenditure	<u>(125,922)</u>	<u>(122,318)</u>
Net (expenditure)/income	<u>(18,991)</u>	<u>28,779</u>
Net movement in funds	(18,991)	28,779
<b>Reconciliation of funds</b>		
Total funds brought forward	<u>195,598</u>	<u>166,819</u>
Total funds carried forward	<u><u>176,607</u></u>	<u><u>195,598</u></u>

## Rainbow Pre-School

### Detailed Statement of Financial Activities for the Year Ended 31 August 2021

	Total 2021 £	Total 2020 £
<b>Income and Endowments from:</b>		
Charitable activities (analysed below)	106,931	151,097
Total income	<u>106,931</u>	<u>151,097</u>
<b>Expenditure on:</b>		
Charitable activities (analysed below)	(125,922)	(122,318)
Total expenditure	<u>(125,922)</u>	<u>(122,318)</u>
Net (expenditure)/income	<u>(18,991)</u>	<u>28,779</u>
Net movement in funds	(18,991)	28,779
<b>Reconciliation of funds</b>		
Total funds brought forward	<u>195,598</u>	<u>166,819</u>
Total funds carried forward	<u><u>176,607</u></u>	<u><u>195,598</u></u>



## Rainbow Pre-School

### Detailed Statement of Financial Activities for the Year Ended 31 August 2021

	Total 2021 £	Total 2020 £
<i><b>Charitable activities</b></i>		
Government Free Childcare Funding	87,369	132,097
Grants	1,721	-
Parents fees	17,555	17,348
Fundraising events	286	1,652
	<u>106,931</u>	<u>151,097</u>
<i><b>Charitable activities</b></i>		
Fundraising costs	-	(97)
Consumables	(2,410)	(1,560)
Staff training	(24)	(1,389)
Equipment repairs and renewals	(4,418)	(2,153)
Telephone	(222)	(201)
Rent	(8,334)	(14,526)
Computer running costs	(558)	-
Printing, postage and stationery	(95)	-
Sundry expenses	(277)	-
Legal and professional fees	(1,608)	(850)
Wages and salaries	(104,175)	(100,721)
Staff NIC (Employers)	-	(144)
Staff pensions (Defined contribution) - pension scheme 1	(3,141)	(47)
Accountancy fees	(660)	(630)
	<u>(125,922)</u>	<u>(122,318)</u>