

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

**RAINBOW
TRUST**

SUPPORTING FAMILIES
WITH A SERIOUSLY ILL CHILD

FOR THE
YEAR ENDED
30 JUNE 2021

Our performance and achievements highlights

- 409 **new** families receiving tailored support
- Service model continually adapted to a hybrid model of face-to-face and virtual support during COVID-19 restrictions
- 19% increase in neonatal referrals
- *Pandemic Pressures* report published to raise awareness of the impact on families we support
- 10th consecutive year in the Best Companies to Work For
- Raised £4.7 million to ensure our future survival.

For more information about Rainbow Trust
please visit our website rainbowtrust.org.uk



**RAINBOW TRUST CHILDREN'S CHARITY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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RAINBOW TRUST CHILDREN'S CHARITY

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

The Trustees, who are also the directors, present their report together with the financial statements for the year ended 30 June 2021.

CORPORATE DIRECTORY

Trustees	Mark Cunningham (Chairman) Timothy Bunting Elizabeth Crighton Howard Dyer Andrew Honnor Dr. Jonathan Rabbs Jennifer Smithson Michael Wainwright Celia Woollett	
Chief Executive	Zillah Bingley	
Secretary	Robert Coyne	
Principal Address	Cassini Court Randalls Way Leatherhead Surrey KT22 7TW	
Independent Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG	
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Investment Managers	Cazenove Capital 1 London Wall Place London EC2Y 5AU	Ruffer LLP 80 Victoria Street London SW1E 5JL
Company Number	3585123	
Charity Number	1070532	

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

OUR CORE PURPOSE AND ACTIVITIES

OUR VISION

Every family in the UK who has a child with a life-threatening illness receives the support they need.

OUR MISSION

We enable families who have a child with a life-threatening illness to make the most of time together by providing expert practical and emotional support where they need it for as long as it is needed.

OUR OBJECTS AND PUBLIC BENEFIT

The charity was established to relieve the pain and suffering of families with a life-threatened or terminally ill child and to support them through bereavement if necessary.

The Trustees confirm that they have complied with their duty in section 17 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission, in determining the activities undertaken by the charity. Irrespective of a beneficiary's capacity, ethnicity, faith, or socio-economic environment, all charitable services are provided free. To ensure that Rainbow Trust offers support to those that meet our criteria, there is a referral process in place with clear guidelines. Referrals may come from any source including healthcare professionals and families themselves.

OUR WORK

The *Make Every Child Count* study, conducted by the University of York and released in April 2020, revealed that the number of children in England with life-limiting or life-threatening conditions increased to 86,625 in 2017/18. This means that since 2001/2, the figure almost trebled from 32,975. This number is predicted to rise by at least another 11% by 2030.

This rise in numbers reflects how vital Rainbow Trust's practical and emotional support is, as many more families across England care for babies, children and young people with a life-threatening or terminal illness. The rise in prevalence matches Rainbow Trust's experience.

Rainbow Trust provides expert Family Support Workers to families who have a child with a life threatening or terminal illness. When serious illness affects a child, family life is turned upside down, and time becomes more precious. Rainbow Trust pairs each family with a dedicated Family Support Worker who becomes a trusted and constant person in family life, providing practical and emotional support. This support helps families to face, and make the most of, each new day.

In the last decade, family referrals to Rainbow Trust have doubled and there are more families than ever who struggle to cope when their child is seriously ill.

Common challenges for these families include:

- Dealing with the physical and emotional strain
- Managing and getting to and from multiple clinical appointments
- Ensuring that life remains as normal as possible for siblings, including attendance and performance at school
- Ensuring sick children and siblings have opportunities to play
- Maintaining employment through long periods of treatment and care needs
- Managing reduced income
- Poor family communication and resulting break-up
- Accessing benefits and support services
- Maintaining daily routine and chores
- Coming to terms with a child's diagnosis and the possibility of their death
- Coping with the death of a child
- Isolation felt by families who are cut off from normal activities and friends.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Rainbow Trust's community-based direct support is available at no cost to families and is provided no matter what a family's background or circumstances. There is no other national organisation offering the range of social palliative care support that we do, directly to families when they need it most.

The Family Support Worker is available whenever a family needs them and, during times of crisis, support is available 24 hours a day.

The Family Support Worker assesses each child and family's needs individually and provides tailored support accordingly. Support needs often fluctuate, for example, they are highest when a child is in active treatment or at end of life. Sometimes families may require intensive support over a number of weeks whilst at other times only need the occasional visit or phone call to reassure them or respond to a question. This means that support can be flexible and respond to need.

A life-threatening illness affects all aspects of a child's life. They are stuck at home or in hospital, miss long periods of school, are unable to take part in "normal" activities or socialise with friends. This, in addition to the physical symptoms of their illness, can make them feel distressed, isolated and uncertain about their future.

Siblings miss out on opportunities that other children take for granted. Life at home is turned upside down with "strangers in the house", hospital stays, parents away from home and struggling with their emotions. Mealtimes are ignored, clothes don't get washed, the house is a mess, there's no one to take them to school or help with homework, and everything is different. Many siblings struggle educationally or are bullied for being different. They can become isolated, withdrawn, detached from social networks and get no break from pressures at home. Despite feeling ignored and anxious, they are often afraid to ask for help as they fear letting the family down. Many siblings find themselves in the role of young carers, having to deal with extraordinary and challenging circumstances. Long periods apart and anxiety about the future means some families struggle to communicate and relationships are strained.

Family Support Teams work in partnership with health and social care providers to prioritise families who most need support, including families:

- With poor support networks
- Who are geographically isolated, with few local support services
- With a recent diagnosis or whose child is at end of life
- Where there is a safeguarding concern impacting on a child's treatment or wellbeing
- Struggling with mental health issues
- Who are unable to get to hospital
- With more than one sick child
- Who are recently bereaved
- Who are struggling financially.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

ACHIEVEMENTS AND PERFORMANCE

After a year in which we saw unprecedented change due to the onset of the COVID-19 pandemic, our main areas of focus in 2020/21 were to stabilise the organisation, learn from the ways we had worked and adapted during the pandemic, and progress and develop working in partnership.

OVERVIEW & THIS YEAR'S HIGHLIGHTS

This year we planned to

1. **Rebuild family support**
2. **Increase awareness, influence and reputation**
3. **Optimise fundraising activities**
4. **Develop our people**
5. **Accelerate the use of technology**

Our progress against these aims is detailed in the sections below.

Highlights include:

- 409 new families taken on, receiving tailored support from a Family Support Worker
- Service model continually adapted, operating a hybrid model of face-to-face and virtual support during lengthy lockdowns and tight COVID-19 restrictions
- 19% increase in neonatal referrals reinforcing the need for our vital support for families with babies born prematurely or with serious illness
- *Pandemic Pressures* report published to raise awareness of the importance to families of our work and make policy asks of government that would positively impact these families
- Listed for the 10th consecutive year in the Best Companies to Work for (previously The Sunday Times awards), achieving 19th place in the Best Charities category
- Raised £4.7million to ensure our future survival.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

AIM 1: REBUILD FAMILY SUPPORT

At the start of the financial year, in July 2020, the restrictions of the first national lockdown were just beginning to ease, and we were able to gradually start to reintroduce limited face-to-face support in a COVID safe way – mostly outdoors and not in hospitals.

Unfortunately, it wasn't long before restrictions began to tighten again in September, with localised tier systems being introduced, progressing on to a second and a third national lockdown. The third lockdown was still in force as we reached the end of the financial year in June. This meant that across the entire year, the country was subjected to varying degrees of restrictions, which shaped the way in which our service could safely be delivered.

The aim of rebuilding support was rooted in adapting our support to respond to the challenges that families faced. Many families faced an ongoing uphill struggle as they tried to balance worries about their child's medical care, continued isolation, their financial security, and their own mental health. We maintained our commitment to the families in our care and 1,075 families in total benefitted from support across the year. 449 families who felt better able to cope had their cases closed.

We took on new referrals wherever it was possible and 409 new families started receiving support from Rainbow Trust between July 2020 and June 2021. This is just 31% lower than the previous year, which is remarkable considering Family Support Workers were unable to meet new families via the usual face-to-face routes and in hospital settings for most of the year.

Here is a summary of the activity that was undertaken to rebuild family support.

Identifying and building relationships and partnerships with health and social care professionals and organisations

Working in partnership with health and social care professionals is a vital route to new referrals, with 84% of new families being referred to us via professionals. It also ensures holistic family-centred care provision.

An important part of a Family Support Worker's role, in addition to providing family support, is to take an active role in developing professional networks. On average, Family Support Teams attended 70 care planning meetings a month with other professionals about a child supported by us. We also attended an average of 57 networking meetings per month, giving an opportunity to share best practice.

Quotes from professionals, when asked about our service, include:

"The support Rainbow Trust offers to the families in my care is priceless. The difference they make is amazing, from the practical support to the emotional support where parents and the children find there is no other outlet. We work as a multidisciplinary team and the [Rainbow Trust] Family Support Worker is very much part of that and plays a key role."

"We always get great feedback and see the difference that this support makes to parents' day to day lives."

"The support is always very geared to meet the family's need. It may be small interventions or more complex interventions. Whichever, it makes a big difference."

This year, we started a new formal partnership with Shooting Star Children's Hospices to jointly deliver support to children and families, linking clinical and community palliative care services. North West London CCG funded this one-year project, with a Rainbow Trust Family Support Worker and a Shooting Star Children's Hospice Family Support Worker working collaboratively to support 19 families.

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The benefits of this formal collaboration have included:

- Improved partnership working with the family at the centre of care provision
- Increased awareness of each family's current situation which allows everyone working with a family to be more proactive in their support and ensure nothing gets missed
- Increased confidence amongst high-need families that both services are working together to provide the best level of support
- Increased confidence amongst staff from both services that safeguarding concerns are monitored and communicated together on regular basis
- Increased awareness of what each service does and how we can use each other to fill important gaps in services.

Paige Bale, Family Support Worker at Shooting Star Children's Hospices, said:

"Regular meetings are held to discuss our jointly supported families and this has enabled us to work efficiently and consistently together as one wider team. It has proven to be effective for sharing valuable information and to offer families a coordinated approach."

Having successfully established this formal partnership, we have continued to look at replicating that model in other areas. One such example is our collaboration with Derian House Children's Hospice in the North West where we are jointly offering psychological support to children affected by serious illness and their families. This includes six-weekly meetings to discuss caseloads and plans for joint provision of group support for families when this becomes possible.

Though in its early stages, this joint working has brought clear improvements to the family experience, including ensuring that families who may not qualify for support from one organisation can be supported by the other. For example, Rainbow Trust will support siblings under seven years old whereas Derian House Children's Hospice will only support them from the age of seven and over. The teams have provided joint sessions to enable teenage siblings to receive the specialist support they require.

There is evidence of the impact of successful relationship building with professionals in the growth of our neonatal support, which we expect to continue. In 2020/21 we received 95 new neonatal referrals, compared with 80 in the previous year, a 19% increase. Just over half of them were in the Southampton team. Each month there were on average 42 open neonatal cases. The strong relationships built between Family Support Teams and hospital staff supported this growing and important referral stream. The circumstances of the pandemic increased the particular need for transportation of expressed breastmilk from mothers isolated from their child in the NICUs.

Alex Mancini, National Lead Nurse for Neonatal Palliative Care said:

"In my experience, the emotional and practical support offered by Rainbow Trust Family Support Workers to families on Neonatal Intensive Care Units is a vital additional measure to help them cope with the pressures of having a very sick baby."

We have been contributing to the training sessions that Alex Mancini is running in target areas to ensure that staff on the units have an understanding about the support we can offer to families.

Evolving and innovating our service delivery model to ensure it meets families' needs, as society adapts to living with COVID-19

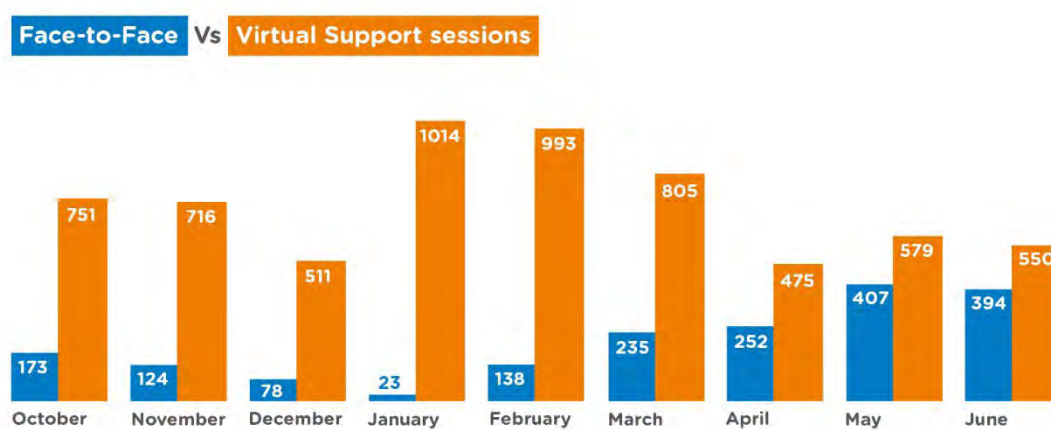
Lockdowns and restrictions created many challenges to our service delivery model, but also opportunities to innovate and do things differently, whilst still making an impact on improving families' lives.

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When the pandemic first hit, we immediately shifted to a virtual support model, and this was sustained into 2020/21 as the volatility and unpredictability brought by restrictions and lockdowns continued.

Our working practices fluctuated in line with local restrictions. The north of England was under tighter restrictions for longer periods of time than the south of England. Our service guidance was amended with each new government announcement, in any face-to-face interaction PPE was used and a pre-visit COVID questionnaire completed.

This table shows how the nature of sessions fluctuated, comparing the total face-to-face and virtual support sessions delivered by Family Support Workers from October 2020 to June 2021.



Previously, we were unable to take on newly referred families from outside the geographical locations of our Care teams. However, building on the success of virtual support triggered by the pandemic, we have started to trial a digital-only support model.

This has enabled us to reach and support five new families in need, who have self-referred, and live outside our normal Care team areas, including Northampton, Dartmouth, Bradford and Nottingham. We have even given support to a family who was separated with part of the family abroad in the Czech Republic, whilst others were in the UK.

An internal steering group has been assessing the feasibility and scoping the development of this type of support, with the assistance of peer review from Young Lives vs Cancer. We have demonstrated that through a virtual support model we can in some instances pair our Family Support Workers to give tailored support to different family members, based on their individual needs. We have learned that we can reach families who may not have been keen on face-to-face support due to the risk posed by the pandemic. We can offer support sessions to children and families stuck in isolation on hospital wards and facing long term separation from family members and friends.

We are excited to continue to scope the potential to create a stand-alone digital team that could offer support to a greater number of families across a wider geographic reach.

Improve our impact and outcomes measurement to demonstrate efficacy, relevance and value, ensuring the voice of each family member is heard

We are continuing to refine the most meaningful way of measuring the impact of our service on families. A family support plan is always discussed, prepared, tailored and monitored to ensure it reflects what the family needs most.

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Broadly, families have identified six areas where they feel Rainbow Trust has the most impact, and that is how we classify and record the nature of each support session.

They are:

- Quality time
- Quality of life
- Emotions and wellbeing
- Stability and confidence
- Managing stress
- Economic wellbeing.

One challenge, given needs are so diverse and unique to each family, is to create a universal meaningful framework and classification system to quantify and aggregate these results, to be able to measure the overall impact of our service. Where the pandemic halted progress in 2019/20, we were able to further test a new framework in the North East team during 2020/21.

In November 2020 we carried out our annual snapshot audit, for important feedback on our service from the families we support and professionals we work alongside. The pandemic had a noticeable impact on responses with 169 people responding which was 20% fewer than last time. However, the responses show our service continues to be highly rated and valued.

Feedback from our annual snapshot audit reflects the importance of the consistency of our service:

- 91% of respondents rated the impact of Rainbow Trust's support on their lives as at least eight out of ten, with 55% rating our impact ten out of ten
- 97% rated the overall service as good or excellent
- 96% of all comments were positive statements about the support, their Family Support Worker or Rainbow Trust
- Children felt that the opportunities to have fun, to play and to have someone to talk to, were the most important things for them.

To continue to understand the challenges faced by the families we support, how they are feeling and ensure their voice is being heard, we conducted a third wave of our families surveys which we had started in 2020.

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AIM 2: INCREASE AWARENESS, INFLUENCE AND REPUTATION

Connect with high-profile influencers and networks including key decision makers and parliamentarians

Rainbow Trust seeks to represent the children and families that we serve, so that their voice is always heard when government decisions are made on issues that affect them.

In July 2020, we circulated a briefing on parental mental health during the pandemic, *Feeling Forgotten*, to key ministers, civil servants and parliamentarians, drawing on the striking findings of Rainbow Trust's surveys of families in April and July.

This was followed by our report *Pandemic Pressures: The struggles and resilience of families caring for a seriously ill child*, published in October. This report drew on in-depth interviews and surveys with the families we support. It urged decision-makers in government and the NHS to learn from families' experiences when providing services as the pandemic continues. The report was shared with the lead civil servant for End of Life Care at the Department for Health and Social Care, with staff in the NHS England Palliative and End of Life Care team, and with all relevant ministers and key parliamentarians.

Having provided examples of our service innovations during the pandemic, Rainbow Trust was cited in a submission to a House of Lords Public Services Committee's inquiry by sector body, Children England. As a result, the inquiry's report, 'A critical juncture for public services: lessons from COVID-19', published in November, mentioned Rainbow Trust's transport support for families during the pandemic and quoted Alex Mancini, National Lead Nurse for Neonatal Palliative Care in praising our role in enabling families to cope better.

Rainbow Trust regularly collaborated with others across the children's sector throughout this year. We attended regular webinars and online meetings with Hospice UK, NHS England, National Bereavement Alliance, Disabled Children's Partnership, the All Party Parliamentary Group on Baby Loss, and the All Party Parliamentary Group for Children Who Need Palliative Care. We attended the launch of the Early Years Development Review. We met with Council for Disabled Children, and held regular policy catch-ups with counterparts at Together for Short Lives, Young Lives vs Cancer and the Children and Young People with Cancer Coalition (CYPCC). In addition, we supported Baby Loss Awareness Week activity.

We submitted responses to consultations including Department for Business, Enterprise and Industrial Strategy consultation on Carers' Leave, and the Treasury consultation ahead of the autumn's Comprehensive Spending Review. In addition, we added our name and voice to:

- A call to government via media work in September as part of CYPCC, urging them to provide emergency funding for children and young people with cancer charities in light of the financial impact of the pandemic
- Along with many other children's charities, we also added our voice to putting children at the heart of government spending ahead of the Comprehensive Spending Review.

As part of the children's sector, Rainbow Trust backed calls for children to be at the heart of the Budget in early March, and our Chief Executive Zillah Bingley was a signatory to an open letter from chief executives urging more emergency funding for the charity sector under the umbrella #RightNow and #NeverMoreNeeded.

A small family survey of those supported by Rainbow Trust, carried out in January 2021 showed that more than 50% of parents felt that their mental health was worse or much worse than in the first lockdown, and 40% reported financial concerns. Sharing these figures garnered lots of regional media coverage in late March. Our message was for the government not to forget about these families, noting that the Budget in early March said nothing about children or disability.

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Engage and cultivate new supporters particularly amongst our target audience of young families

We focussed on continuing to find and engage new prospective supporters by producing free website downloads of *Boredom Busters* to help families entertain young children during lockdown. We promoted the Great Rainbow Bake campaign throughout summer, encouraging new and inventive ideas for fundraising during a period when there were still restrictions in place affecting events and community fundraising. We ensured all content and major publications included the child's and families' voices, stronger than ever.

In November, we secured national broadcast coverage at prime time, which is hugely important to generating awareness of our cause to our target audience of parents with young families. Rainbow Trust featured in *Life in Lockdown*, a powerful, uplifting and touching film which aired on BBC One featuring several BBC Children in Need funded projects. The film showed how brilliantly resilient children and young people, like eight-year-old Beatrice, can be in the face of a global crisis. Beatrice was supported by Family Support Worker Rachel both before and after the death of her four-year-old sister Rosie, which included virtual support during lockdown. Her parents Ray and Annette spoke about how Rachel supported them through grief and how they felt they "could not get through it without Rachel and Rainbow Trust".

We also built new links with brands aligned with young families. Artist and illustrator Joanna Ham of HAM donated over £8,000 from the sale of special limited-edition prints, radio presenter Chris Evans and the CarFest team donated £50,000 from a CarFest auction on Virgin Radio and international clothing brand Hatley gave a special Christmas treat to children supported by Rainbow Trust by donating a pair of Hatley pyjamas for every pair they sold during October.

During the year medical supply specialists Atos Medical began a new partnership with Rainbow Trust not only pledging to raise £10,000 but also with the strategic aim to promote health and wellbeing for those living with serious illnesses.

We secured significant COVID emergency grants from BBC Children in Need, the National Lottery Community Fund, and the Barclays 100 x 100 Community Relief Fund. We were also delighted to be one of six charities to be selected to benefit from Royal Bank of Canada Capital Market's Trade for the Kids @Home Day receiving \$225,000.

Evolve brand purpose following the launch of *It's About Time* campaign.

In 2019/20, we had launched the *It's About Time* campaign, renewing the urgency behind our call on the public to help families with a life-threatening or terminally ill child. Shortly after launching this, when the COVID-19 pandemic hit, we paused the *It's About Time* campaign and evolved our messaging to focus on the impact of the pandemic on families we supported. Through this, we transformed our reach and engagement, particularly on social media channels.

As autumn arrived and restrictions continued, escalating towards a second national lockdown, we continued to represent families' situations and feelings, based on daily data from our Family Support Workers. We represented their voices in our external messaging, showing how for families with a seriously ill child, *The Crisis Continued*.

We captured more detailed figures and statistics relating to the service we delivered, and ensured we regularly updated supporters with key statistics about where their money went, continually showing the impact, and the difference they made.

In 2020/21 we continued to focus on increasing awareness of Rainbow Trust through media outreach. Using powerful accounts from families we support as media case studies; we educated and influenced our stakeholders about caring for a seriously ill child during a pandemic.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Media highlights included:

- Sky News interview with Chief Executive Zillah Bingley on the impact of the pandemic on the charity sector
- National coverage in The Guardian and Yahoo News and regional coverage, on the results of our two-family surveys illustrating how the pandemic was negatively impacting the lives of the families we support
- BBC Children in Need documentary, called *Life in Lockdown*, following the story of nine-year-old Beatrice and the bereavement support she received from her Family Support Worker Rachel
- A powerful Huff Post article about a family supported by Rainbow Trust isolating in a single hospital bedroom for a year supported by Rainbow Trust
- National coverage including The Sun, Daily Mirror, and Daily Star through a feature about a mum caring for her son born with large facial cysts.

AIM 3: OPTIMISE FUNDRAISING ACTIVITY

Improve fundraising performance across all channels, introducing a new supporter insight programme

We designed and rolled out supporter surveys to help us better understand motivations for, and experiences of, donating to Rainbow Trust. This helped us to analyse ease of donating, the value, engagement, and assess our communications. Understanding what donors need and want at an individual level will help us to tailor our communications and activity, to ensure we are satisfying that need.

We also implemented a new Customer Relationship Management system, to support our Continuous Improvement approach to systems, integrations, and processes. This also helped improve our digital fundraising capabilities.

During the year, both our charity shops were sadly permanently closed. The shop in Upminster, Essex, opened by Connie Hawkins in 2009, was a planned closure as despite the hard work and effort of many volunteers the shop was no longer making a sustainable profit. After 28 years of profitable trading, the volunteer team, led by our patron, Pauline Obee MBE, also made the very difficult decision to permanently close the shop in Harold Wood, Romford, given the challenges of safe operation during the pandemic. Since opening, the shops had raised an incredible £1.4m for children and families in Essex and the hard work and dedication of Pauline, Connie, and all their volunteers over the years will never be forgotten.

Develop digital fundraising skills to enable us to optimise our digital reach and fundraising activity

This year, in place of live events, we explored alternatives for exciting new ways to fundraise through virtual events and challenges.

We maximised technology to deliver a very successful online auction raising £185,000, and a virtual Carol Concert attended by 180 households.

Over 1,000 people took part in our first ever virtual Facebook fundraising challenge, 280,000 steps in February, and in April, 1,200 signed up on Facebook for the Run 30 challenge – the events together raised around £30,000.

In April, Rainbow Trust joined social media platform TikTok, telling compelling stories from families we support, and we gained a following of 1,000 in the first six weeks.

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We ran a new social media campaign "Find Our Rainbow" to engage influencers and celebrities in Bristol and across Essex to help reach our target audience of young families. Using compelling family stories and colourful rainbow painted rocks, the campaign successfully combined high levels of engagement on Instagram, key regional media coverage and celebrity involvement. Drawing on this success, the campaign will continue to be rolled out across other Rainbow Trust locations in 2021/22.

Effectively steward our supporters to gain their long-term commitment.

To improve supporter stewardship, we restructured the fundraising and engagement team to centralise cross-team supporter care. We also launched a project to improve how we look after supporters who raise money for us and introduced a key-worker programme to manage our high-net-worth donor programme.

Our Christmas appeal and magazine appeals exceeded targets set. We introduced new virtual Q&A events via Zoom, giving supporters the opportunity to hear directly from families and Family Support Workers.

This year we also worked with high profile celebrities and influencers on a range of projects. The London Carol Concert saw outstanding virtual support from long-standing celebrity supporters Austin Healey, Gillian Wright, Anita Dobson, Mary Nightingale and David Gower.

During the year, we received three fundraising complaints from the public. One related to door-to-door charity clothes collection bags, and two related to people receiving direct mail from us. All were dealt with effectively and resolved internally.

We continue to put significant effort into supporter care and take all feedback seriously. We also take our responsibility to protect vulnerable people seriously. We follow guidance issued by the Institute of Fundraising about treating donors fairly and our Supporter Promise reflects our approach to protecting both our beneficiaries and supporters.

We continued to ensure that our fundraising communications and data processing were fully compliant with GDPR. This included ensuring that our staff were trained on data protection requirements to safeguard the integrity of our data and the security of the personal data, which our supporters entrust to us.

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AIM 4: DEVELOP OUR PEOPLE

Remain an Employer of Choice

Rainbow Trust was listed for the 10th consecutive year in the Best Companies to Work For (previously The Sunday Times awards). We achieved the following positions:

- 19 in the Best Charities to Work For
- 76 in the Best Mid-Sized Companies to Work For, competing with all sectors
- 60 in the South East Best Companies to Work For.

We maintained Best Companies two-star accreditation for the second year running. This accreditation is awarded to organisations that show "outstanding levels of engagement".

Achieving outstanding levels of engagement and a place on the Best Companies list for the 10th year running is a fantastic achievement against the aim of remaining an employer of choice.

Lead, support and develop staff to be the best they can be and safeguard their wellbeing

To support staff morale and provide opportunities to talk and share experiences, we introduced HeRe to Hear HR drop-in sessions, weekly informal coffee mornings with the Chief Executive and all employee Zoom calls.

Promoting an internal buddy system and regular meetings of, and communications from, the Feel-Good group helped promote effective team work, inclusivity and a culture of belonging.

All staff were consulted through surveys about returning to our offices when government guidelines allowed, ensuring a strong focus on wellbeing and mental health, recognising the difficulties and impacts of the pandemic on people's lives.

All internal training was updated to allow for virtual delivery.

Re-evaluate and develop our volunteer programme across all teams

Our 275 volunteers are a vital component of what we do, and whilst most of our volunteering support had to pause with immediate effect when the pandemic first hit, we remained dedicated to keeping volunteers engaged and feeling valued.

We asked our volunteers for feedback and:

- 99.5% of volunteers would recommend volunteering at Rainbow Trust
- Overall rating of the experience was 4.4 out of 5 stars.

When we surveyed staff, 100% agreed that volunteers are an asset to Rainbow Trust, and 100% believed they bring added value to our service.

During 2020/21, 1,000 hours of support were delivered to families through our incredible volunteers. Whilst that was 33% reduction compared with 2019/20, the focus since restrictions started to ease was to support our existing volunteers, rebuild opportunities, and adapt to work in the new environment. Through all of this, the support, patience, and kindness of the whole of our volunteer team has been something that we are so proud of, and grateful for.

One volunteer on a student placement provided a range of face-to-face and virtual support, including supporting a family on a shopping trip out to buy a new bed for their child, and providing emotional support via telephone and Zoom for siblings and parents. She was able to support the team with administrative work as well.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Adapting a student placement to a blended model of face-to-face and virtual support was not without challenge, but the student was able to have a fulfilling placement.

"The team has been brilliant in adapting their support during the pandemic and has always made sure that I have something to do. It does feel quite different not being able to visit families face to face, but a phone call or video call can really change someone's day."

Two medical students undertook their elective placements with us.

Volunteer drivers provided much needed face-to-face support by driving families to their hospital appointments and treatment, which continued for some during the lockdowns. Volunteers also continued to provide face-to-face bereavement support, in line with government guidance, to families in crisis and one volunteer says:

"During the pandemic I supported a family who had a young child at end of life. I was able to continue visiting but with very tight COVID restrictions which was hard for the family. I was able to visit outside with mask and gloves and play and chat with the sibling. Delivering food and post office runs were a weekly task."

Volunteers provided emotional support by telephone to families, and one ran online craft sessions for siblings during the lockdowns. A volunteer also delivered virtual sessions with a sibling, and admin volunteers were able to provide remote support from home, giving Family Support Workers more time to spend with families.

AIM 5: ACCELERATE USE OF TECHNOLOGY

A priority was to ensure staff have the right equipment to support service delivery. By the middle of the year, we had replaced all Family Support Workers' tablets with laptops, to facilitate the delivery of virtual support.

We successfully implemented a new Customer Relationship Management system in order to improve supporter experience and better support our fundraising and technology strategy.

We continued to optimise our use of Office 365, and Microsoft platform SharePoint, which has supported much more effective communication and collaboration during a year when we continued to work remotely for most of the time.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Next year we aim to:

Develop and expand service offering

- Aim to return to pre-pandemic service delivery levels
- Reach families in new areas
 - Build online support, developing a digital service
 - Establish a new Family Support Team in a new geographic location
- Increase volunteer support for families with less intense needs
- Develop new partnerships with health and social care providers.

Increase awareness, influence and reputation

- Connect with key decision makers and parliamentarians to represent issues faced by families
- Engage and cultivate supporters, particularly amongst our target audience of young families
- Continue to develop the *It's About Time* major funder campaign to extend family support reach.
- Engage celebrity and influencer networks.

Optimise fundraising activity in our 35th anniversary year

- Improve fundraising performance, re-establishing live events
- Develop digital fundraising opportunities
- Effectively steward our supporters to gain their long-term commitment.

Support staff to be the best they can be

- Establish a new Skills Development Programme to give Family Support Workers a foundation level of skills and/or further training opportunities
- Further embed Equality and Diversity agenda, promoting a culture of belonging and inclusion
- Remain an Employer of Choice.

Accelerate use of technology

- Invest in IT infrastructure to work as efficiently as possible
- Make effective use of technology to support virtual working.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

FINANCIAL REVIEW

REVIEW OF YEAR'S RESULTS

The results for the charity for the year ended 30 June 2021 are set out from page 26.

This year our total income was £4,718k (2020: £4,257k). However, this included significant COVID related government support which increased our statutory funding to an unprecedented 21% or £979k of total income and will not be repeated. Next year, statutory funding will fall to pre-pandemic levels of under 2% of our total income. Income also included an exceptionally high value of legacy notifications of £1,008k (2020: £222k). To moderate the fluctuating and unpredictable nature of legacy income a Legacy Equalisation Fund has been established.

From a fundraised income perspective, the reality is that this was a very difficult year. We continued to feel the adverse financial impact of the COVID-19 crisis with income from both Donations and Fundraising activities falling by 31% and 21% respectively or £1m in total. Our income was impacted by both economic uncertainty, which impacted all our supporters, and social distancing measures which limited our ability to hold face to face fundraising events with on-line alternatives unable to make up the shortfall.

We utilised the Coronavirus Job Retention Scheme where necessary, focused on maintaining support for families. We started to move staff back from furlough at the start of the year, mostly on a part time basis, and in accordance with family support or operational needs. At June 2021, only two staff remained on part time furlough.

Total expenditure of £3,196k (2020: £4,285k) is a 25% or £1.1m reduction on the previous year reflecting the cost initiatives undertaken at the start of the pandemic, significantly reduced event expenditure and continuing initiatives to stop or delay discretionary and non-essential costs.

We focused on maintaining and delivering our care services and this has resulted in the amount spent on care and family support services increasing to 78p in the pound (2020: 73p). This high level will not be sustained as we move into more normal operating conditions next year and the cost of raising funds will increase as fundraising activity returns to normal.

This was an exceptional year for both legacy income and statutory funding, which, combined with strong cost management and control, created an overall surplus of £1,632k (2020: £7k deficit).

Total funds are now £2,959k (2020: £1,327k) of which £1,202k (2020: £826k) are general reserves which is in line with our reserve policy. The remaining funds are held in designated and restricted funds (see below) for planned recovery and growth. Given current uncertainties this will mitigate the likely continued negative impact of COVID on fundraising income in the forthcoming year and places us in a good position for recovery.

Overall, this is a good financial result given the challenges of the COVID pandemic. This was achieved through exceptional non-recurring income in the year, the fantastic, continued support of our donors and cost saving initiatives instigated at the start of the crisis. We are extremely grateful to all our donors and the government for their generous support which enabled Rainbow Trust to survive the past year.

RESERVES POLICY

The Trustees regularly review the general reserves policy to ensure that all relevant risk areas are included in accordance with guidance issued by the Charity Commission. Risks included are the impact of an unexpected reduction in income and the potential impact of restructuring costs and liabilities required to downsize the organisation in an orderly manner, if a permanent income reduction was anticipated.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The Trustees are satisfied that the existing general reserve target level of three to four-and-a-half months of operating costs is sufficient to cover the risks identified in the review. This allows sufficient time for Trustees and management to take appropriate mitigating actions, if required.

Under the policy, there are available reserves of £1,339k (2020: £983k), which comprise the general fund adjusted for two non-cash property related items, which do not impact access to free reserves for reserve policy purposes. This is within the target range of between £942k and £1,414k. The general reserve at 30 June 2021 was £1,202k (2020: £826k).

The Trustees continue their commitment to develop and grow the level of care and family support services, whilst maintaining a focus on managing the overall costs of the charity at sustainable levels.

Designated funds are amounts that have been set aside at the discretion of the Trustees. At June 2021, these total £1,661k (2020: £299k), across three separate funds.

1. A designated Fixed Asset Fund of £274k (2020: £299k) represents the amount of the total reserves that are invested in tangible fixed assets.
2. A designated Legacy Equalisation Fund of £1,008k (2020: £nil) has been established to moderate the fluctuating and unpredictable nature of legacy income following the exceptional legacy income in 2020/21.
3. A designated Strategic Development Fund of £378k (2020: £nil) has been established to contribute funding in future years to support the strategic increase in care services and investment in technology.

As at 30 June 2021, the charity has restricted reserves of £97k, which are committed to be spent.

The Trading subsidiary generated a £55k profit (2020: £15k), which has generated total reserves of £53k (2020: £13k).

FINANCIAL EFFECT OF ANY SIGNIFICANT EVENTS

The financial impact of COVID-19 has been detailed in the Review of Year's Results section above. There were no other significant events in the year that had a financial impact on the charity.

INVESTMENT POLICY, POWERS AND PERFORMANCE

The Trustees consider it desirable to build up a long-term investment portfolio. The Trustees continue to adopt a conservative investment policy that seeks to protect the reserves of the charity and to achieve an appropriate return. Investment managers have a brief to maximise total return over the long term with due regard to risk.

The investment strategy and policy remain unchanged following the COVID-19 volatility of worldwide stock markets. In line with the increased reserves, the Trustees have invested a further £850k in our investment funds and the portfolios generated an unrealised gain of £109k (2020: £20k). Income from investments and short-term deposits amounted to £13k (2020: £14k).

REMUNERATION AND RECRUITMENT POLICY

Staff are paid according to industry baselines, on merit of their professional experience and the needs of the charity in the longer term. The Trustees review the performance of the CEO and the Leadership Team annually, and salary reviews are awarded according to performance. This year, four employees earned in excess of £60,000. This is in line with other charities of a similar size providing palliative care.

We advertise all vacant posts on our website and seek applicants both from our current staff and externally.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

RISK MANAGEMENT

A formal risk management process to assess risks and implement mitigation strategies is in place. The Audit Committee and the Board review the risk register annually and update it as necessary. The register identifies the types of risks the charity faces, prioritises them in terms of likelihood of occurrence and potential impact, and identifies the means of mitigating these risks. Contingency and emergency plans have also been reviewed and incorporated into a business continuity plan. Controls are in place to mitigate, as far as possible, any major risks to which the charity is exposed.

PRINCIPAL RISKS AND UNCERTAINTIES

There are four risks on the risk register that are considered to be major risks to the charity. These are defined on the risk register as those risks measured as having the greatest potential impact on the charity and are not necessarily an indication of their likelihood of occurrence, as the charity has control factors and procedures in place to mitigate the risks.

1. Protecting the health and safety of employees, families, volunteers and visitors during the COVID-19 crisis and evaluating the ongoing support model for families

The charity manages this risk by regularly reviewing the advice and regulation from of Public Health England, the NHS and other government bodies, and by updating and communicating health and safety measures taken to reduce workplace risk to the lowest reasonably practicable. As part of implementing our Business Continuity Plan, an Emergency Response Team was instigated which has been meeting regularly since 9 March 2020 to monitor and manage the risks and communication to the organisation. To reduce risks from interactions with other members of staff, with effect from 16 March 2020, it was decided that all staff should operate remotely and we would close all our offices. Risk assessments have been undertaken and communicated to all staff to identify and mitigate operational risks for employees and the families we support. The use of volunteers was temporarily suspended. We conducted two surveys with the families supported by Rainbow Trust to ensure that the support offered is what is required and that families feel safe to continue to interact with us. We are in regular negotiation with hospitals to ensure that we are compliant with individual guidance around entering premises.

2. Allegations of, or actual, abuse of children and families

The charity manages this risk by regular mandatory child protection training for all care staff, with regular liaison with local Children's Social Care teams, where risks are present. All staff complete basic safeguarding training on induction. The charity complies with all relevant regulations and responds appropriately for any statutory requests for information. There are written policies and procedures, which are updated as necessary, including a Whistleblowing Policy and a Safeguarding Policy, which is reviewed annually and ratified by the Lead Trustee for Safeguarding. All our employees have an enhanced DBS check prior to commencing in their role, and the Senior Leadership Team and all care and frontline staff are re-checked every three years.

3. Income levels insufficient to cover planned operational activities

The charity is managing this risk by management and Trustee oversight of monthly reporting against budget, future income key performance indicators and with fortnightly cash flow forecasting, to identify early trends of income shortfall. Income targets and budgets are set to achieve realistic returns on investments, and new business targets are identified. Our broad range of income streams with multiple donors reduces the risk of income shortfall. The charity aims to maintain sufficient reserves to cover any unexpected or short-term income shortfalls.

4. Adverse media reporting

The charity manages this risk by having agreed procedures for all media enquiries, together with an agreed complaints procedure. The charity regularly communicates these to all staff. There is also an agreed Crisis Communication Plan in place, in case of unexpected or sudden media attention, which is regularly reviewed.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

PENSIONS

Rainbow Trust operates a defined contribution pension scheme for the benefit of employees. In accordance with current legislation, all employees are enrolled on joining, and auto enrolled every three years. At June 2021 we had 99% (2020: 98%) of employees enrolled in the pension scheme.

HEALTH AND SAFETY

Rainbow Trust is committed to complying with all relevant health and safety legislation, and to promoting good health and safety practices amongst employees, volunteers and families. Rainbow Trust operates a cross-functional Health and Safety Committee to review health and safety practices.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Rainbow Trust Children's Charity is a registered charity (number 1070532), incorporated under the Companies Acts being a company limited by guarantee (number 3585123), having no share capital. The charity is governed by its Memorandum and Articles of Association.

APPOINTMENT OF TRUSTEES

Rainbow Trust has nine elected Trustees. The composition of the Board of Trustees ("the Board") is regularly reviewed, and Trustees are recruited by word of mouth, or through specialist firms. Successful applicants are appointed by the Board, and ratified by the Members, at the Annual General Meeting. Our Articles of Association describe in detail the selection, appointment, and duties of our Trustees.

TRUSTEES INDUCTION AND TRAINING

New Trustees are provided with information including the history of the organisation, details of the governing document, finances, activities and objectives together with the role and responsibilities of a Trustee. The induction process also includes meetings with other Trustees, Chief Executive, members of the Leadership Team, and family support services. Training in the duties and responsibilities of Trustees is provided, and new Trustees are strongly encouraged to attend a specialist training seminar, within their first year of appointment. All Trustees are circulated training opportunities on a regular basis, and updates on changes in legislation affecting the charity. Rainbow Trust holds fundraising events during the year, providing opportunities for Trustees to meet donors and supporters.

ORGANISATION

The Board is responsible for overall governance of the charity, including setting and monitoring strategy. It meets on a quarterly basis and receives reports of all the principal activities. There are four standing committees: Audit, Care Services, Finance and Fundraising & Engagement. Each of the Committees has its own terms of reference and includes Trustees, the Chief Executive, and other members of the Leadership Team as appropriate. Rainbow Trust has a Scheme of Delegation, which sets out those responsibilities delegated to the Leadership Team.

Authority to conduct Rainbow Trust Children's Charity day-to-day activities is delegated to the Chief Executive, who is responsible for ensuring that the strategy and policies are carried out. The Leadership Team meets formally twice a month and all members report to the Chief Executive.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

INTERNAL CONTROL

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A three-year strategic plan, and one-year operational plans in each of the areas of work, with an annual budget approved by the Board
- Regular review of the financial results of the charity, including an explanation of variances from budget
- Delegation of authority
- Segregation of duties
- Identification and management of risks.

PUBLIC FUNDRAISING APPROACH

Rainbow Trust raises the majority of its funds from the public, and we aim to do this respectfully. We are members of the Institute of Fundraising and the Fundraising Regulator. We work carefully to comply with the Fundraising Code of Practice set out by the Fundraising Regulator, and champion the standards they promote. We support all measures that will improve public trust and support for the sector, and Rainbow Trust actively contributes to consultations to develop best practice standards and guidelines for the sector.

We are compliant with the General Data Protection Regulation (GDPR), and we operate our fundraising activity in accordance with all relevant regulation.

Rainbow Trust raises money using direct mail, telephone calling (current supporters only), e-marketing, building partnerships with businesses, community groups and schools, soliciting gifts from trusts and foundations, supporting the public to raise money from their own fundraising initiatives and from sponsored sports activities, challenge events, special events such as golf days, concerts and fashion shows and from supporter gifts in wills. All fundraising activity is in line with the Fundraising Code of Practice, set by the Fundraising Regulator and GDPR. Individuals registered with the Fundraising Preference Service are always excluded from communications.

We contact a number of supporters by telephone each year. Charity supporters registered on the Telephone Preference Service are only called if they have agreed to receive such calls.

We have robust policies in place regarding vulnerable people and treating donors fairly. We never sell, or give supporter's details to anyone else, except those that are employed directly by us to raise funds or manage fundraising events for us. Details about our approach, our full privacy policy for supporters and our Supporter Promise are on our website, and we actively encourage supporters to contact us with any feedback. We believe it is vital that we communicate with our supporters in the manner they prefer, and we are very keen to respect their privacy and preferences. We fully induct and support all our fundraising staff to regularly reinforce our fundraising ethics.

We monitor complaints and use this feedback to help us improve our fundraising activities. This year we received 3 complaints about fundraising activities; all were dealt with effectively and resolved internally.

TRADING SUBSIDIARY

The charity has one wholly-owned trading subsidiary, Rainbow Trust Trading Limited. The subsidiary is a company limited by share capital, incorporated in England and Wales.

RAINBOW TRUST CHILDREN'S CHARITY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees, who are also the directors for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company and Charity law requires the Trustees to prepare financial statements for each financial year. Under Company law, the Trustees 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 profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies, and then apply them consistently
- Observe the methods and principles in the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015 and FRS 102)
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed, and explained in the financial statements
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company 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 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 each of the Trustees is aware, at the time the report is approved:

- There is no relevant audit information of which the company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the auditors are aware of that information.

AUDITORS

haysmacintyre has expressed their willingness to continue in office and offer themselves for re-appointment.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions available.

Signed on behalf of the Trustees.

Chairman
Mark Cunningham

Trustee
Timothy Bunting

21 October 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAINBOW TRUST CHILDREN'S CHARITY FOR THE YEAR ENDED 30 JUNE 2021

Opinion

We have audited the financial statements of Rainbow Trust Children's Charity for the year ended 30 June 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 30 June 2021 and of the group and parent charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAINBOW TRUST CHILDREN'S CHARITY FOR THE YEAR ENDED 30 JUNE 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the group and parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAINBOW TRUST CHILDREN'S CHARITY FOR THE YEAR ENDED 30 JUNE 2021

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the use of restricted funds, care quality commission compliance and compliance with employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition and accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Reviewing allocations and disclosures relating to restricted funds;
- Reviewing the latest Care Quality Commission (CQC) reports;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jane Askew (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

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RAINBOW TRUST CHILDREN'S CHARITY
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	General Fund £	Designated Fund £	Restricted Fund £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:						
Donations and legacies	3	1,313,481	1,008,013	414,269	2,735,763	2,736,585
Charitable activities:						
Statutory funding and grants	4	259,533	-	719,357	978,890	285,378
Other trading activities:						
Fundraising activities		922,904	-	8,333	931,237	1,173,176
Commercial operations		58,956	-	-	58,956	48,574
Investments	2	13,468	-	-	13,468	13,750
Total income		2,568,342	1,008,013	1,141,959	4,718,314	4,257,463
Expenditure on:						
Raising funds:						
Grants and donations		567,178	-	-	567,178	779,722
Commercial operations		4,495	-	-	4,495	43,342
Fundraising activities		116,631	-	-	116,631	309,713
Donor acquisition		23,745	-	-	23,745	17,689
Head office move		-	-	-	-	-
Total cost of raising funds		712,049	-	-	712,049	1,150,466
Net income available for charitable activities		1,856,293	1,008,013	1,141,959	4,006,265	3,106,997
Charitable activities						
Carer and family support services		1,236,668	-	1,246,847	2,483,515	3,134,083
Total expenditure	6	1,948,717	-	1,246,847	3,195,564	4,284,549
Net income/(expenditure) before gains on investments		619,625	1,008,013	(104,888)	1,522,750	(27,086)
Gains on investments		109,474	-	-	109,474	20,237
Net income/(expenditure) before transfers		729,099	1,008,013	(104,888)	1,632,224	(6,849)
Transfers between funds		(353,456)	353,456	-	-	-
Net movement in funds		375,643	1,361,469	(104,888)	1,632,224	(6,849)
Total funds brought forward		826,005	299,418	201,477	1,326,900	1,333,749
Total funds carried forward		1,201,648	1,660,887	96,589	2,959,124	1,326,900

All transactions during the year are derived from continuing activities.
All recognised gains and losses are included in the statement of financial activity.

Full comparatives for the year to June 2020 are shown in note 20.

RAINBOW TRUST CHILDREN'S CHARITY
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2021

Company No. 3585123

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	10	274,474	299,418
Investments	11	1,662,783	703,309
		<u>1,937,257</u>	<u>1,002,727</u>
CURRENT ASSETS			
Debtors	12	895,430	462,903
Cash at bank and in hand		<u>983,451</u>	<u>1,365,282</u>
		<u>1,878,881</u>	<u>1,828,185</u>
CREDITORS: amounts falling due within one year	13	<u>(716,053)</u>	<u>(1,349,558)</u>
NET CURRENT ASSETS		1,162,828	478,627
CREDITORS: amounts falling due after more than one year	13	(140,961)	(154,454)
NET ASSETS		<u>2,959,124</u>	<u>1,326,900</u>
FUNDS			
Restricted funds	14/15	96,589	201,477
Unrestricted funds:			
Designated funds	15	1,660,887	299,418
General funds	15	1,201,648	826,005
TOTAL FUNDS		<u>2,959,124</u>	<u>1,326,900</u>

The surplus of the parent charity for the year to 30 June 2021 was £1,592,995 (2020: deficit £22,081).

Approved and authorised for issue by the Trustees on 21 October 2021.

CHAIRMAN
Mark Cunningham

TRUSTEE
Timothy Bunting

The notes on pages 30 to 44 form part of these financial statements.

RAINBOW TRUST CHILDREN'S CHARITY
CHARITY BALANCE SHEET
AS AT 30 JUNE 2021

Company No: 3585123

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	10	274,474	299,418
Investments	11	1,662,883	703,409
		<u>1,937,357</u>	<u>1,002,827</u>
CURRENT ASSETS			
Debtors	12	876,062	440,848
Cash at bank and in hand		<u>954,187</u>	<u>1,354,845</u>
		1,830,249	1,795,693
CREDITORS: amounts falling due within one year	13	<u>(724,029)</u>	<u>(1,334,445)</u>
NET CURRENT ASSETS		1,106,220	461,248
CREDITORS: amounts falling due after more than one year	13	(140,961)	(154,454)
NET ASSETS		<u>2,902,616</u>	<u>1,309,621</u>
FUNDS			
Restricted funds	14/15	96,589	201,477
Unrestricted funds:			
Designated funds	15	1,660,887	299,418
General funds	15	1,145,140	808,726
TOTAL FUNDS		<u>2,902,616</u>	<u>1,309,621</u>

Approved and authorised for issue by the Trustees on 21 October 2021.

CHAIRMAN
Mark Cunningham

TRUSTEE
Timothy Bunting

The notes on pages 30 to 44 form part of these financial statements.

RAINBOW TRUST CHILDREN'S CHARITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £	2020 £
Net cash provided by operating activities	A	490,219	743,409
Cash flows from investing activities:			
Interest income		13,468	13,750
Purchase of tangible fixed assets		(37,017)	(23,423)
Proceeds from the sale of fixed assets		1,499	-
Investment additions at cost		(850,000)	-
Cash used in investing activities		(872,050)	(9,673)
(Decrease)/increase in cash and cash equivalents in the year		(381,831)	733,736
Cash and cash equivalents at the beginning of the year		1,365,282	631,546
Total cash and cash equivalents at the end of the year		983,451	1,365,282

A: RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income / (expenditure) for the reporting period	1,632,224	(6,849)
Adjustments for:		
Investment income	(13,468)	(13,750)
Depreciation charge	61,220	59,699
(Profit) / loss on disposal of fixed assets	(758)	324
Gains on investments	(109,474)	(20,237)
Increase in debtors	(432,527)	(103,423)
(Decrease) / increase in creditors	(646,998)	827,645
Net cash provided by operating activities	490,219	743,409

B: ANALYSIS OF CHANGES IN NET CASH FUNDS

	At 1 July 2020 £	Cashflows	At 30 June 2021 £
Cash at bank and in hand	1,365,282	(381,831)	983,451
Total cash and cash equivalents	1,365,282	(381,831)	983,451

RAINBOW TRUST CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing their accounts, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Rainbow Trust Children's Charity 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 note(s).

Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of the financial position, reserve levels, cash flow for the next 12 months from the date of approval of these financial statements and future plans, gives Trustees confidence that the charity remains a going concern for the foreseeable future.

FUND ACCOUNTING

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use, at the discretion of the Board of Trustees, in furtherance of the general charitable objectives.

Designated funds are amounts that have been set aside at the discretion of the Board of Trustees.

Restricted funds are funds subject to specific restricted conditions imposed by the donors.

INCOME

Income represents the total income receivable during the year comprising donations, income from fundraising activities and investment income.

GRANTS

Grant income is recognised in the accounting period to which it relates.

Coronavirus Job Retention Scheme (CJRS) Income

Government grant income paid under the CJRS has been recognised in the Statement of Financial Activities in the period to which the underlying furloughed staff costs relate to.

EXPENDITURE

The costs of respite and domiciliary care, fundraising and promotional publicity and of administration comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a cost basis.

Central overheads are allocated to operational and fundraising functions on the basis of their use of central support services, with the aim of ensuring that those costs remaining within administration relate to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

DEPRECIATION

Depreciation is calculated to write-off the cost of fixed assets over their estimated useful lives on the following basis:

Computer equipment	between 3 and 5 years
Furniture and equipment	between 5 and 10 years

RAINBOW TRUST CHILDREN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

INCOME TAX

Income tax recoverable on gift aid is accounted for on a receivable basis.

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of Rainbow Trust Children's Charity and its subsidiary, Rainbow Trust Trading Limited. No separate Statement of Financial Activities is presented for the charity, which had a net movement in funds of £1,592,995 as provided by section 408 of the Companies Act 2006.

DONATED ASSETS

Where the charity has been donated assets or gifts in kind, and where it is possible to quantify the value, then this is reflected in the statement of financial activities.

LEGACIES

Income from legacies is recognised when there is a grant of probate; confirmation on sufficiency of funds to make a distribution; when it is possible to value the legacy with reasonable accuracy and when any conditions attached to the legacy have been met or are within the control of the charity.

FINANCIAL INSTRUMENTS

The charitable company 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.

INVESTMENTS

Investments are measured at fair value with gains and losses recognised in the Statement of Financial Activities

DEBTORS

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount, after allowing for any trade discounts due.

EMPLOYEE BENEFITS

Short-term benefits are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102. Rainbow Trust operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of Rainbow Trust in an independently administered fund. The pension costs charged in the financial statements represent the contributions payable during the year.

RAINBOW TRUST CHILDREN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, there are no critical accounting judgements or key sources of estimation uncertainty.

RAINBOW TRUST CHILDREN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. INCOME FROM INVESTMENTS	2021	2020
	£	£
Interest	13,468	13,750
	<u>13,468</u>	<u>13,750</u>
3. DONATIONS AND LEGACIES	2021	2020
	£	£
Donations	1,727,750	2,514,860
Legacies	1,008,013	221,725
	<u>2,735,763</u>	<u>2,736,585</u>
4. STATUTORY FUNDING AND GRANTS	2021	2020
	£	£
Statutory Income	97,308	72,619
NHS England	648,393	-
Coronavirus Job Retention Scheme	233,189	192,759
Retail Grant Scheme	-	20,000
	<u>978,890</u>	<u>285,378</u>

5. RESULTS FROM TRADING ACTIVITIES OF SUBSIDIARY

Rainbow Trust Trading Limited is a wholly owned subsidiary of Rainbow Trust Children's Charity, which is incorporated in the UK, company number 02361243, and pays all its profits to the charity by Gift Aid. The charity owns the entire issued share capital of 100 Ordinary shares of £1 each. A summary of the trading results is shown below.

Summary profit and loss account	2021	2020
	£	£
Turnover	58,956	58,574
Cost of sales and administrative expenses	(4,495)	(43,342)
Gift aid to parent company	(15,232)	(4,099)
Retained in the subsidiary	<u>39,229</u>	<u>11,133</u>
Summary balance sheet		
Current assets	57,130	33,794
Creditors: amounts falling due within one year	(4,621)	(20,514)
Total net assets	<u>52,509</u>	<u>13,280</u>

RAINBOW TRUST CHILDREN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

6. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	2021 Total £	2020 Total £
Costs of raising funds					
Commercial operations	-	4,495	-	4,495	43,342
Fundraising activities	73,197	43,434	-	116,631	309,713
Donor acquisition	-	23,745	-	23,745	17,689
Fundraising and publicity	427,950	128,748	10,481	567,179	779,722
Charitable expenditure					
Carer and family support services	1,744,373	688,402	50,739	2,483,514	3,134,083
	<u>2,245,520</u>	<u>888,824</u>	<u>61,220</u>	<u>3,195,564</u>	<u>4,284,549</u>

ANALYSIS OF DIRECT AND ALLOCATED COSTS

	Direct costs £	Allocated costs £	Support costs £	2021 Total £	2020 Total £
Costs of raising funds					
Commercial operations	4,495	-	-	4,495	43,342
Fundraising activities	116,631	-	-	116,631	309,713
Donor acquisition	23,745	-	-	23,745	17,689
Fundraising and publicity	306,722	177,500	82,956	567,178	779,722
Charitable expenditure					
Carer and family support services	1,685,686	631,905	165,924	2,483,515	3,134,083
	<u>2,137,279</u>	<u>809,405</u>	<u>248,880</u>	<u>3,195,564</u>	<u>4,284,549</u>

ANALYSIS OF SUPPORT COSTS

	Management £	Finance and Admin £	IT £	2021 Total £	2020 Total £
Costs of raising funds					
Fundraising and publicity	29,464	40,155	13,337	82,956	82,549
Charitable expenditure					
Carer and family support services	119,385	43,205	3,334	165,924	180,139
	<u>148,849</u>	<u>83,360</u>	<u>16,671</u>	<u>248,880</u>	<u>262,688</u>

Included within the finance and admin costs are governance costs of £14,700 (2020 £16,836) for audit fees.

Full comparatives for the year to June 2020 are shown in note 21.

RAINBOW TRUST CHILDREN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

7. NET INCOME	2021	2020
	£	£
These are stated before charging:		
Depreciation - owned assets	61,220	59,699
Expenditure on operating leases	338,641	421,549
Auditor's remuneration – parent company audit fee	14,700	13,836
– subsidiary audit fee	-	3,000
8. STAFF COSTS AND NUMBERS	2021	2020
	£	£
Wages and salaries	1,944,566	2,497,876
Social security costs	205,483	243,120
Pension contributions	95,471	111,632
Redundancy	-	63,359
	<u>2,245,520</u>	<u>2,915,987</u>

The average number of total employees during the year was: 75 96

	2021	2020
	No	No
Employees earning over £60,000 fell into the following bands:		
£60,001 - £70,000	2	-
£70,001 - £80,000	1	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

All of the above employees are in a defined contribution pension scheme at a cost to the charity of £14,997 (2020: £11,375).

Key management remuneration

The total employee benefits of the key management personnel, identified as members of the Rainbow Trust Leadership Team and other employees having authority and responsibility for planning, directing and controlling the activities of the charity were £538,494 (2020: £514,503).

9. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

No Trustees received remuneration during the year (2020: no Trustee remuneration). The Board of Trustees received no reimbursed expenses during the year (2020: none).

RAINBOW TRUST CHILDREN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

GROUP

	Furniture & equipment £	Computer equipment £	Motor Vehicles £	Total £
COST				
At 1 July 2020	287,198	285,361	7,200	579,759
Additions	-	37,017	-	37,017
Disposals	-	(127,735)	(7,200)	(134,935)
At 30 June 2021	287,198	194,643	-	481,841
DEPRECIATION				
At 1 July 2020	60,653	212,489	7,199	280,341
Charge for year	30,407	30,813	-	61,220
On disposals	-	(126,995)	(7,199)	(134,194)
At 30 June 2021	91,060	116,307	-	207,367
NET BOOK VALUE				
At 30 June 2020	226,545	72,872	1	299,418
At 30 June 2021	196,138	78,336	-	274,474

CHARITY

	Furniture & equipment £	Computer equipment £	Motor Vehicles £	Total £
COST				
At 1 July 2020	287,198	285,361	7,200	579,759
Additions	-	37,017	-	37,017
Disposals	-	(127,735)	(7,200)	(134,935)
At 30 June 2021	287,198	194,643	-	481,841
DEPRECIATION				
At 1 July 2020	60,653	212,489	7,199	280,341
Charge for year	30,407	30,813	-	61,220
On disposals	-	(126,995)	(7,199)	(134,194)
At 30 June 2021	91,060	116,307	-	207,367
NET BOOK VALUE				
At 30 June 2020	226,545	72,872	1	299,418
At 30 June 2021	196,138	78,336	-	274,474

RAINBOW TRUST CHILDREN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

11. FIXED ASSET INVESTMENTS

GROUP AND CHARITY	Group		Charity
	UK	Investment	Total
	Listed	in subsidiary	
Market value	£	£	£
At 1 July 2020	703,309	100	703,409
Additions at cost	850,000	-	850,000
Unrealised gains	109,474	-	109,474
At 30 June 2021	1,662,783	100	1,662,883
Historic cost at 30 June 2020	638,270	100	638,370
Historic cost at 30 June 2021	1,500,474	100	1,500,574

12. DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Prepayments and accrued income	862,103	438,739	862,103	431,945
Trade and other debtors	33,327	24,164	13,959	8,903
	895,430	462,903	876,062	440,848

13. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	96,915	256,206	96,915	247,726
Accruals and deferred income	556,966	914,872	556,066	903,092
Other taxation and social security	44,957	54,819	44,957	54,819
Other creditors	17,215	123,661	13,494	123,407
Amount due to trading subsidiary	-	-	12,597	5,401
	716,053	1,349,558	724,029	1,334,445

CREDITORS: Amounts falling After more than one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Rent free accrual and dilapidation provision	140,961	154,454	140,961	154,454
	140,961	154,454	140,961	154,454

RAINBOW TRUST CHILDREN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

14. RESTRICTED FUNDS

	At 1 July 2020	Income	Expenditure	At 30 June 2021
	£	£	£	£
Care team offices:				
Essex	2,500	89,992	(60,992)	31,500
Hampshire	4,598	8,150	(12,748)	-
London & South East	109,136	90,998	(182,636)	17,498
North East	-	91,840	(91,840)	-
North West	8,962	129,046	(107,176)	30,832
South West	12,003	43,400	(45,309)	10,094
NHS England	-	648,393	(648,393)	-
BBC Children in Need Next Steps	-	39,990	(33,325)	6,665
Other	64,278	150	(64,428)	-
	201,477	1,141,959	(1,246,847)	96,589

Care Team offices: over the year, we received geographically limited grants towards the costs of running our regional care teams including salaries, associated and operating costs, of Family Support Workers.

Essex County Council provided a grant to fund our work with Essex families during the Covid-19 pandemic.

Surrey County Council provided Short Breaks grant funding for families caring for a child with a life threatening or terminal illness in Surrey.

The National Lottery Community Fund made an emergency grant of £81,583 through the Coronavirus Community Support Fund to fund our work with children and families in the North East and Cumbria.

The St. James's Place Charitable Foundation funded the cost of providing a Family Support Worker to support families in Bristol, Bath and North East Somerset.

The NHSE awarded funding to allow the charity to make available community support from April 2020 to July 2020 to provide support to children and families with complex needs in the context of the COVID-19 situation and to provide community support from November 2020 to March 2021 for the same purpose.

BBC Children in Need provided funding for the salary and related costs of a Family Support Worker in the Greater Manchester area and made an additional Covid-19 Next Steps grant to support children in Greater Manchester who have been disproportionately affected by the pandemic.

Full comparatives for the year to June 2020 are shown in note 22.

RAINBOW TRUST CHILDREN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

15. STATEMENT OF FUNDS

	1 July 2020	Income	Expenditure	Transfers & Gains	30 June 2021
	£	£	£	£	£
Unrestricted Funds:					
General Fund	826,005	2,568,342	(1,948,717)	(243,982)	1,201,648
Designated Funds:					
Fixed Asset Fund	299,418	-	-	(24,944)	274,474
Legacy Equalisation Fund	-	1,008,013	-	-	1,008,013
Strategic Development Reserve	-	-	-	378,400	378,400
Restricted Funds:					
Donations	201,477	1,141,959	(1,246,847)	-	96,589
	1,326,900	4,718,314	(3,195,564)	109,474	2,959,124

The Fixed Asset Fund represents the amount of the total reserves that are invested in tangible fixed assets.

The Legacy Equalisation Fund has been established following the exceptional legacy income in 2020/21 of £1,008,013. The fund aims to moderate the fluctuating and unpredictable nature of legacy income by allocating any future excess of legacy income received over a five year average legacy income to the fund. This would be released back to the General Fund in years where the legacy income falls below the five year average.

The Strategic Development Reserve has been established, by a transfer from the General Fund, to earmark funding for future planned strategic development of care services and investment in technology over the next two years.

Restricted Funds represent donations where the donor has declared where the gift should be spent, with more detail provided in note 14.

Full comparatives for the year to June 2020 are shown in note 23.

**16. ANALYSIS OF GROUP NET ASSETS
BETWEEN FUNDS**

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Fund balances at 30 June 2021				
are represented by:				
Tangible fixed assets	-	274,474	-	274,474
Investments	980,711	682,072	-	1,662,783
Current assets	1,077,951	704,341	96,589	1,878,881
Current liabilities	(716,053)	-	-	(716,053)
Creditors falling due after more than one year	(140,961)	-	-	(140,961)
	1,201,648	1,660,887	96,589	2,959,124

Full comparatives for the year to June 2020 are shown in 24.

RAINBOW TRUST CHILDREN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

17. TAXATION

As a registered charity, the company is not liable to income tax or corporation tax on income or gains derived from its charitable activities.

18. FUTURE COMMITMENTS

	Group and Charity 2021	Group and Charity 2020
	£	£
Capital expenditure authorised and contracted for at 30 June	nil	nil

	Land and buildings	Other	30 June 2021	30 June 2020
	£	£	£	£
Amounts falling due:				
Within one year	168,740	107,605	276,345	315,639
Between one and five years	566,445	99,691	666,136	803,786
After five years	285,598	-	285,598	422,400
Total	1,020,783	207,296	1,228,079	1,541,825

19. RELATED PARTY TRANSACTIONS

The aggregate donations received from the Trustees in the year was £178,590 (2020: £94,402).
There were no other transactions with related parties in the year to 30 June 2021 (2020: none).

RAINBOW TRUST CHILDREN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS – COMPARATIVE FIGURES
FOR THE YEAR ENDED 30 JUNE 2021

20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY

	General Fund £	Restricted Fund £	Designated Fund £	Total Funds 2020 £
Income and endowments from:				
Donations and legacies	2,127,326	609,259	-	2,736,585
Charitable activities:				
Statutory income	240,878	44,500	-	285,378
Other trading activities:				
Fundraising activities	1,126,802	46,374	-	1,173,176
Commercial operations	48,574	-	-	48,574
Investments	13,750	-	-	13,750
Total income	3,557,330	700,133		4,257,463
Expenditure on:				
Raising funds:				
Grants and donations	779,722	-	-	779,722
Commercial operations	43,342	-	-	43,342
Fundraising activities	309,713	-	-	309,713
Donor acquisition	17,689	-	-	17,689
Total cost of raising funds	1,150,466		-	1,150,466
Net income available for charitable activities	2,406,864	700,133		3,106,997
Charitable activities				
Carer and family support services	2,601,417	532,666	-	3,134,083
Total expenditure	3,751,883	532,666		4,284,549
Net income/(expenditure) before gains/(losses) on investments	(194,553)	167,467	-	(27,086)
Gains/(losses) on investments	20,237	-	-	20,237
	(174,316)	167,467		(6,849)
Transfers between funds	36,600	-	(36,600)	-
Net movement in funds	(137,716)	167,467	(36,600)	(6,849)
Total funds brought forward	963,721	34,010	336,018	1,333,749
Total funds carried forward	826,005	201,477	299,418	1,326,900

RAINBOW TRUST CHILDREN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS – COMPARATIVE FIGURES
FOR THE YEAR ENDED 30 JUNE 2021

21. COMPARATIVE ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	2020 Total £
Costs of raising funds				
Commercial operations	3,762	39,580	-	43,342
Fundraising activities	95,826	213,887	-	309,713
Donor acquisition	-	17,689	-	17,689
Fundraising and publicity	635,574	130,322	13,826	779,722
Charitable expenditure				
Carer and family support services	2,205,308	888,902	39,873	3,134,083
	<u>2,940,470</u>	<u>1,290,380</u>	<u>53,699</u>	<u>4,284,549</u>

COMPARATIVE ANALYSIS OF DIRECT AND ALLOCATED COSTS

	Direct costs £	Allocated costs £	Support costs £	2020 Total £
Costs of raising funds				
Commercial operations	43,342	-	-	43,342
Fundraising activities	309,713	-	-	309,713
Donor acquisition	17,689	-	-	17,689
Fundraising and publicity	503,999	193,174	82,549	779,722
Charitable expenditure				
Carer and family support services	2,300,149	653,795	180,139	3,134,083
	<u>3,174,892</u>	<u>846,969</u>	<u>262,688</u>	<u>4,284,549</u>

COMPARATIVE ANALYSIS OF SUPPORT COSTS

	Manager £	Finance and admin £	IT £	2020 Total £
Costs of raising funds				
Fundraising and publicity	33,373	37,774	11,402	82,549
Charitable expenditure				
Carer and family support services	132,992	44,296	2,851	180,139
	<u>166,365</u>	<u>82,070</u>	<u>14,253</u>	<u>262,688</u>

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22. COMPARATIVE RESTRICTED FUNDS

	At 1 July 2019	Income	Expenditure	At 30 June 2020
	£	£	£	£
Care team offices:				
Surrey	-	133,956	(82,568)	51,388
Hampshire	14,673	40,314	(50,389)	4,598
Essex	5,587	98,569	(101,656)	2,500
Swindon	13,750	71,470	(73,217)	12,003
North West	-	135,845	(126,883)	8,962
North East	-	35,795	(35,795)	-
Central London	-	37,166	(25,502)	11,664
North West London	-	60,290	(14,206)	46,084
Other	-	86,728	(22,450)	64,278
	34,010	700,133	(532,666)	201,477

Care Team offices: over the year, we received geographically limited grants towards the costs of running our regional care teams including salaries, associated and operating costs, of Family Support Workers.

The St. James's Place Charitable Foundation funded the cost of providing a Family Support Worker to support families in Bristol, Bath and North East Somerset.

ABF The Soldiers' Charity provided a grant to enable us to provide specific support to army families caring for a child with a life threatening or terminal illness.

BBC Children in Need provided funding for the salary of a Family Support Worker in the Greater Manchester area.

The North West London Clinical Commissioning Group funded a Family Support Worker to work in partnership with Shooting Star Children's Hospice to provide holistic support to local families.

Surrey County Council provided Short Breaks grant funding for families caring for a child with a life threatening or terminal illness in Surrey.

Between April and June, we received grants from Community Foundations to support our response to the COVID-19 pandemic, including: The Community Foundation for Surrey, The Community Foundation for Tyne & Wear and Northumberland, Tees Valley Community Foundation, Portsmouth City Community Fund, County Durham Community Foundation, Berkshire Community Foundation and Hampshire and Isle of Wight Community Foundation.

RAINBOW TRUST CHILDREN'S CHARITY
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23. COMPARATIVE STATEMENT OF FUNDS

	1 July 2019 £	Income £	Expenditure £	Transfers & Gains £	30 June 2020 £
Unrestricted Funds:					
General Fund	963,721	3,557,330	(3,751,883)	56,837	826,005
Designated Funds:					
Fixed Asset Fund	336,018	-	-	(36,600)	299,418
Restricted Funds:					
Donations	34,010	700,133	(532,666)	-	201,477
	1,333,749	4,257,463	(4,284,549)	20,237	1,326,900

The fixed asset fund represents the net book value of the charity's unrestricted tangible fixed assets.

**24. COMPARATIVE ANALYSIS OF GROUP NET ASSETS
BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total Funds £
Fund balances at 30 June 2020 are represented by:				
Tangible fixed assets	-	-	299,418	299,418
Investments	703,309	-	-	703,309
Current assets	1,626,708	201,477	-	1,828,185
Current liabilities	(1,349,558)	-	-	(1,349,558)
Creditors falling due after more than one year	(154,454)	-	-	(154,454)
	826,005	201,477	299,418	1,326,900