

**COMPANY REGISTRATION NUMBER 04465743**

**THE RAINBOW CENTRE FOR CONDUCTIVE  
EDUCATION LTD**  
(A company limited by guarantee)

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**31<sup>st</sup> AUGUST 2020**

**Charity Number 1096603**

**THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

**FINANCIAL STATEMENTS**

**PERIOD ENDED 31<sup>ST</sup> AUGUST 2020**

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# THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

## TRUSTEES ANNUAL REPORT

### PERIOD ENDED 31<sup>st</sup> AUGUST 2020

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the period ended 31<sup>st</sup> August 2020.

#### REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	The Rainbow Centre for Conductive Education Ltd
Charity registration number	1096603
Company registration number	04465743
Registered office	The Bradbury Building Palmerston Drive Fareham Hampshire PO14 1BJ

THE TRUSTEES	Mr P. Sams	(Chairman)
	Mr J. Natt	(Treasurer)
	Mr K. Briscoe	
	Mr I. Grant	
	Mr M. Tumelty	(Appointed 23d November 2020)
	Mrs S. Bayford	(Appointed 23d November 2020)
	Mrs J. Syvret	(Appointed 23d November 2020)

Interim Operations Director	Mrs H. Somerset How (Appointed 14 <sup>th</sup> September 2019 - resigned 31 <sup>st</sup> December 2020)
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Operations Director	Mr I. Churchill (Appointed 1 <sup>st</sup> December 2020)
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Auditor	TC Group Statutory Auditors 3 Acorn Business Centre North Harbour Road Portsmouth PO6 3TH
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Bankers	HSBC Bank plc 165 High Street Southampton SO14 2NZ
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Solicitors	Coffin Mew 1000 Lakeside North Harbour Portsmouth PO6 3EN
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**THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

**TRUSTEES ANNUAL REPORT**

**PERIOD ENDED 31<sup>st</sup> AUGUST 2020**

The Trustees present their report and the audited financial statements of the charity for the period ended 31st August 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019

**Trustees of the charity**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the period and since the period end were as follows:

Mr P. Sams	(Chairman)
Mr J. Natt	(Treasurer)
Mr K. Briscoe	
Mr I. Grant	
Mr M. Tumelty	(Appointed 23d November 2020)
Mrs S. Bayford	(Appointed 23d November 2020)
Mrs J. Syvret	(Appointed 23d November 2020)

# THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

## TRUSTEES ANNUAL REPORT

PERIOD ENDED 31<sup>st</sup> AUGUST 2020

### Chair's Introduction

The financial year that ended on 31 August 2020 was very different to what had been anticipated. However, the pandemic has been the catalyst for the Centre to make changes to its working practices in line with the world in which we now live.

The financial year 19/20 began on the back of the loss of a CEO, our Founder stepping back in to lead the team through a successful Financial Appeal and a revised financial strategy for the coming year.

We suffered some staff losses at this time but decided that with some adjustments we would be able to operate at the same level of competency without immediately refilling those posts. We took the opportunity to outsource some of our Trust and Foundation work which made a significant cost saving and in January 2020 we were very fortunate to appoint a highly experienced Head of Fundraising who had worked with us previously.

The impact of Covid-19 was something no-one could have envisaged. The first lockdown in March forced us to close the Centre and furlough the majority of our staff; a core team of five worked from their homes. I can't speak highly enough of all of our staff, those furloughed and those still working, for their commitment, flexibility and co-operation in assisting us to implement a plan that not only continued to deliver services to our families online, but helped to ensure the Centre's survival for the future.

Reaction and feedback about our online services was superb; all our families were hugely appreciative of the continuity of engagement we provided on a daily basis, both for our children attending streamed interactive live sessions and for our senior community participating in Zoom sessions. The children and their siblings had structure and continuity in their day and our adult community challenged itself to learn new technology to stay connected and enthusiastic about their programmes. This positive feedback spurred us on to keep these sessions running and improve our delivery techniques where we could. We were the leaders in our field; initially no other Conductive setting was able to deliver services equal to ours.

Sadly the Government's generous furlough scheme was not enough to avoid us having to make redundancies. The Board acted swiftly and prudently in making the necessary changes to ensure that we reduced our overheads in line with the tighter lines of income stream that all charities were facing. No retail, event, corporate or community fundraising was possible so we concentrated on the only avenue left open to us ensuring that our compelling case studies would persuade Trusts and Foundations to support us. and we are incredibly grateful to The National lottery Community Fund, Children in Need, Dunhill Medical Trust, Garfield Weston Foundation and other Private Trusts for their generous support in our time of need.

After reviewing known income, a sensible cash flow management budget was implemented and adhered to and the Centre was still able to offer excellent core services through to the end of the financial year in August 2020 and ended the financial year in a far stronger position than in many a previous year.

Although it is beyond our reporting year it is right to mention that we were relieved to learn that the Centre would be allowed to remain open for face to face sessions through a second and third lockdown. Parents and adult participants alike have told us we are their lifeline; even with the risk they all took in leaving home prior to vaccination, they have been determined to continue attending their sessions, confident that we can provide a safe and welcoming environment for them. How heart-warming to know the tremendous value our families feel we add to their lives and well-being. This is a huge testament to the incredible amount of work all our teams have done - and continue to do to keep the Centre covid-free and a happy place to be.

The appointment of a new experienced Operation Director in December 2020 after an extensive interview process fills the Board with confidence that we will not only survive but thrive in 2021 and beyond.

  
Paul Samra  
Chair of the Board of Trustees

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

TRUSTEES ANNUAL REPORT

PERIOD ENDED 31<sup>ST</sup> AUGUST 2020

Report of the Board of Trustees

Our Vision, Mission and Values

Our **Vision** is to be recognised as a UK Centre of Excellence, helping people with neurological conditions across our region at all key stages of their life.

Our **Mission** is to transform the lives of people who have a neurological condition enabling them to become as independent as possible so that they and their families can enjoy life to the full.

We will stay true to our **values** of Teamwork, Enabling and Inspiring, Caring and Excellence.

The Organisation

More than 100,000 strokes occur every year in the UK, which is an average of one stroke every five minutes, and almost ¾ of stroke survivors leave hospital with a disability. 1 in every 600 people in the UK has MS and 100 people are newly diagnosed every week. 1 in 350 adults are living with Parkinson's in the UK and every hour another 2 people are diagnosed. (Figures from Stroke Association, MS Society, and Parkinson's UK).

Cerebral palsy is the most common cause of physical disability in children and young people in the developed world, and it can be estimated that that are approximately 1,700 babies born per year across England and Wales, who are affected by cerebral palsy.

Over the course of 2019/20 we supported 120 children and adults with neurological conditions and their families.

Our Children's Service worked with 57 children and young people affected by cerebral palsy and other motor disorders.

	Autumn & Spring Term at the Centre	Summer Term online sessions during Lock Down
Early Intervention Unit group sessions for parents and children under 3	120	149
Nursery and School Booster group sessions, for children of pre-school and early school age	240	35
Saturday Club sessions, for school-aged children unable to attend during the week	24	14

Over the course of the period, we worked with 63 adults

	Autumn & Spring Term at the Centre	Summer Term online sessions during Lock Down	Summer Term phone calls for participants unable to access online
Multiple sclerosis group sessions	48	3	19
Parkinson's group sessions	168	182	105
Stroke group sessions	24	57	8
Adult cerebral palsy group sessions	14	10	6
Individual session	36	0	2

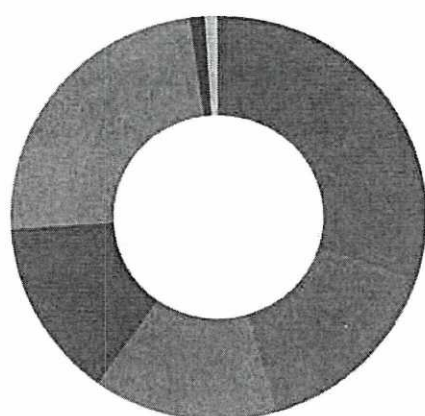
THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

TRUSTEES ANNUAL REPORT

PERIOD ENDED 31<sup>ST</sup> AUGUST 2020

Financial Review

Income – Total £786,150



£235,050 – 30%
Trusts & Grants
£122,204 – 16%
Covid Government Grants
£112,739 – 14%
Shops
£111,698 – 14%
Community
£67,728 – 9%
Corporate
£11,609 – 1%
Other
£8,735 – 1%
Appeal
£7,967 – 1%
Events

The Centre generated total funds of £786,150 (2019 £925,616). (In the financial period 2018-2019 the Rainbow Centre aligned the financial year end with the academic year, September to August, in keeping with the rest of the centre. The financial period was therefore extended to August 2018, making it a 14 month period. For comparison purposes, if 2019 had been a 12 month year the income would have been £971,113.)

The total spend was £652,902 (2019 £1,045,440). (If we had run a 12 month year, the total spend in 2019 would have been £910,340.)

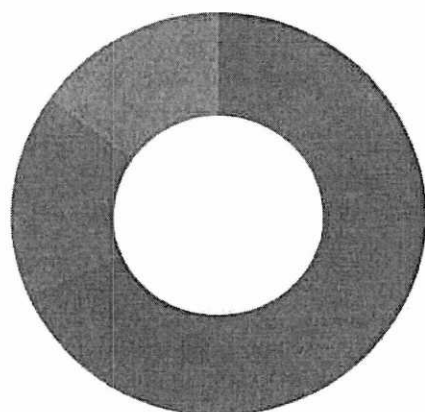
At the end of the year there was a surplus of £133,248 (2019 deficit £119,824). (If we had run a 12 month year, the total surplus for 2019 would have been £60,773.)

During 2020, due to the global pandemic, community donations dropped by 21%, corporate by 12% and events by 208% compared to 2019 (based on income received in the same 12 month period for comparison.) Trusts and Grant income increased by 17%, however this included a £37,000 grant given to the centre due to the pandemic. Without this trusts and grants would have increased by 1% (based on income received in the same 12 month period for comparison.) Due to our charity shops having to close during lock down, sales were reduced by 62% for the same 12 month period.

Excluding the Government and Local council covid related grants, total income was £45,474 (8%) lower than 2019, for the same 12 month period.

The Rainbow Centre has worked hard in previous years to secure multiyear funding to help mitigate general donation fluctuations. In 2020 the Centre had four multiyear funders, which totalled £119,370 (2019 £149,370 for the same 12 month period.) Two of these multiyear funds have come to an end in 2020, which constitutes a reduction in annual income of £29,370 for the following year. However one of our other multiyear funders has renewed for a further 3 years and has generously increased their funding by a further £20,000 per

Expenditure – Total £652,902



£445,939 – 68%
Charitable Activities
£107,991 – 17%
Shop Costs
£98,972 – 15%
Fundraising



# THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

## TRUSTEES ANNUAL REPORT

### PERIOD ENDED 31<sup>ST</sup> AUGUST 2020

year. The net effect for next year is therefore a reduction in multiyear funding of £9,370

For the same 12 month period as 2019, total spend decreased by 56% due to the Centre and shops having to close during lock down one.

During our appeal in 2019 every cost line was analysed and every contract reviewed in order to make costs and efficiency savings of £53,763. This combined with reviewing and changing the way we worked in 2019 when we lost staff due to natural attrition, meant that the centre was in a strong financial position to manage the effect Covid19 has had. However like many other charities we have seen a significant reduction in community donations and the pressure on business during the pandemic has meant many corporates have not been in a financial position to support charities. Many Trusts have also been affected by the downturn in the financial markets. Due to significantly reduced income streams and the uncertainty of the future effect of Covid on the Country and the economy, the board made the decision to make 3 redundancies post year end. The Board acted swiftly and prudently in making the necessary changes to reduce overheads in line with the tighter income streams and ensure the Centre continues to operate and support our participants.

#### Small Companies Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

#### Auditors

TC Group have been re-appointed as auditors for the ensuing year in accordance with section 485 of the Companies Act 2006.

#### Reserves and the position at the year end

When reviewing our reserve levels we try to ensure we balance sufficient reserve levels to enable us to carry on our work when faced with difficult circumstances, whilst also ensuring we maximise the resources used for charitable purposes. Reserves are held in order for the charity to be able to continue to meet the needs of its users, in times when income generation falls short of that required to meet the day to day running costs. Our

reserves also need to give us sufficient time to change our financial strategy due to unforeseen changing circumstances.

The charity measures its unrestricted reserves by reference to the number of months running costs held (as an average). As at 31 August 2020 the Centre retained unrestricted reserves (unrestricted income funds) of £349,562 (31 August 2019 £173,333). Based on the average total costs during this financial period, this represents approximately 6.8 months of running costs (31 August 2019 3.4 months).

The Board of Trustees review the reserve level annually. Our current policy is to maintain a minimum level of 6 months costs in light of the current increased economic risk due to Covid 19 and Brexit.

#### Risk Management

The Rainbow Centre receives minimal non Covid related Government financial support which means that all our funds must be generated in the Private and Corporate Sectors. Thanks to the efforts in recent years to secure multiyear funding, 18% of our monthly costs are covered by these grants. Whilst community and corporate donations have significantly reduced, we have been assisted by Government grants available because of the Covid19 pandemic. Although many of the staff were furloughed, The Centre was able to continue to run remote sessions during Lock Down, to ensure our participants continued to benefit from the sessions the centre provides. Combined with the efforts taken to reduce our overheads, it left the Centre in a good position to re-open fully in September 2020 and survive while the economy and our Corporate donors recover.

Thanks to the efforts of our senior staff the Centre is now able to offer remote sessions to our participants should the Centre need to close again due to any further national lock downs.

The charity does not have any external borrowings and cashflow is monitored on a weekly basis to ensure that the daily operations are not impacted or exposed to any cashflow risk.

Monthly accounts and key performance indicators are produced and reviewed by the CEO and senior



# THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

## TRUSTEES ANNUAL REPORT

PERIOD ENDED 31<sup>ST</sup> AUGUST 2020

management team every month. The board of trustees meet regularly throughout the year to review the performance of the Centre, both financial and operational, with a view to the mitigation of risk.

### The Board

Details of changes in the constitution of the Board are detailed on page 1 of the Trustee's Annual Report. Our thanks go to those members who have resigned and moved on, for their service.

The Board has a good mix of skills essential for the running of the charity and continues to try and source new board members with additional skill sets, principally in the areas of education and health.

### Responsibilities of the Trustees

The trustees (who are also directors of The Rainbow Centre For Conductive Education Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 Charities SORP 2015 (FRS102);
- make judgements and 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity'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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Acknowledgments

The Board would like to thank the many friends and supporters of the Rainbow Centre for their kind donations, and to the staff for their tireless dedication.

We simply would not be able to function were it not for our volunteers. In addition to paid staff we had the services of 41 volunteers without whom we could not deliver the services we strive to provide. I would like to thank them for all their efforts on behalf of the Centre.

Special thanks are due to TC Group for the professionalism and support preparing these accounts and supplying audit services.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

TRUSTEES ANNUAL REPORT

PERIOD ENDED 31<sup>st</sup> AUGUST 2020

By order of the Board of Trustees

**Paul Sams**

Chair of the Board of Trustees

A handwritten signature in black ink, appearing to be 'PS', written over a long, sweeping horizontal line.

**THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE  
RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

**PERIOD ENDED 31<sup>ST</sup> AUGUST 2020**

**Independent Auditor's Report to the Members of The Rainbow Centre for Conductive Education Ltd  
Opinion**

We have audited the financial statements of The Rainbow Centre for Conductive Education Ltd (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activity, balance sheet 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 charitable company's affairs as at 31 August 2020, and of its incoming resources and application of resources, 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 charitable company 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

**THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE  
RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

**PERIOD ENDED 31<sup>ST</sup> AUGUST 2020**

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.

**Opinion 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' report, which includes the directors' report and the strategic 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 strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
  - the 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
  - the financial statements are not in agreement with the accounting records and returns; 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.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE  
RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

PERIOD ENDED 31<sup>ST</sup> AUGUST 2020

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the 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 charitable company'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 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.

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](http://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 trustees, 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 trustees 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, the company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



James Blake FCA (Senior Statutory Auditor)  
For and on behalf of

TC Group  
Statutory Auditor

Office: *Portsmouth*

Date: *28 May 2021*

TC Group is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

**PERIOD ENDED 31st AUGUST 2020**

		<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 (14 mths) £</b>
	<b>Note</b>				
<b>INCOMING RESOURCES</b>					
Donations, legacies and raising funds	2	538,996	133,309	672,305	811,997
Investment income	3	1,106	-	1,106	1,501
Charitable activities	4	112,739	-	112,739	112,117
<b>TOTAL INCOMING RESOURCES</b>		<b>652,841</b>	<b>133,309</b>	<b>786,150</b>	<b>925,615</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Fundraising costs	5	(98,972)	-	(98,972)	(209,433)
Shop costs	5	(107,991)	-	(107,991)	(128,788)
Charitable activities	6	(305,407)	(140,533)	(445,940)	(707,219)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(512,370)</b>	<b>(140,533)</b>	<b>(652,903)</b>	<b>(1,045,440)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>140,471</b>	<b>(7,224)</b>	<b>133,247</b>	<b>(119,825)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		959,424	37,683	997,106	1,116,931
Transfers		-	-	-	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,099,895</b>	<b>30,459</b>	<b>1,130,353</b>	<b>997,106</b>
<b>NOTE:</b>					
Total incoming resources		652,841	133,309	786,150	925,615
Total resources expended		(512,370)	(140,533)	(652,902)	(1,045,440)
<b>NET INCOMING/(OUTGOING)</b>					
<b>RESOURCES BEFORE TRANSFERS</b>		<b>140,471</b>	<b>(7,224)</b>	<b>133,248</b>	<b>(119,825)</b>

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

All of the above amounts relate to continuing activities.

The 2019 financial period was extended to a 14 month year to align the statutory accounts with the Rainbow Centres academic year. The 2019 accounts therefore cover the period 1 July 2018 to 31 August 2019.

The notes on pages 11 to 21 form part of these financial statements.


THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

BALANCE SHEET

31<sup>st</sup> AUGUST 2020

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	10	750,332	786,159
<b>CURRENT ASSETS</b>			
Debtors	11	72,299	61,685
Cash at bank		351,576	224,711
		<u>423,875</u>	<u>286,396</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(43,854)</u>	<u>(75,449)</u>
<b>NET CURRENT ASSETS</b>		<b>380,021</b>	<b>210,947</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,130,353</b>	<b>997,106</b>
<b>NET ASSETS</b>		<b>1,130,353</b>	<b>997,106</b>
<b>FUNDS</b>			
Restricted income funds	14	30,459	37,683
Unrestricted income funds	15	349,561	173,263
Designated funds - Fixed assets fund	15	750,333	786,160
<b>TOTAL FUNDS</b>		<b>1,130,353</b>	<b>997,106</b>

These financial statements were approved by the trustees on 27 May 2021, and are signed on their behalf by:

  
P Sams  
Chairman of Trustees

Company Registration Number 04465743

The notes on pages 11 to 21 form part of these financial statements.



THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

STATEMENT OF CASH FLOWS

PERIOD ENDED 31<sup>st</sup> AUGUST 2020

		2020	2019
		£	(14 mths) £
	Note		
<u>Cash flow from operating activities</u>			
Cash generated/used in operating activities	17	130,721	(64,949)
Interest paid		-	-
Net cash flow from operating activities		<u>130,721</u>	<u>(64,949)</u>
<u>Cash flow from investing activities</u>			
Investment income		1,106	1,501
Purchase of fixed assets		(4,963)	(21,643)
Net cash flow from investing activities		<u>(3,857)</u>	<u>(20,142)</u>
<u>Cash flow from financing activities</u>			
Repayment of finance lease liability		-	-
Interest paid		-	-
Net cash flow from financing activities		<u>-</u>	<u>-</u>
(Decrease)/Increase in cash		126,865	(85,091)
Cash and cash equivalents at the beginning of year		<u>224,711</u>	<u>309,802</u>
Cash and cash equivalents at the end of year		<u>351,576</u>	<u>224,711</u>

# THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31<sup>ST</sup> AUGUST 2020

### 1. ACCOUNTING POLICIES

#### Charity Information

The Rainbow Centre for Conductive Education is a company limited by guarantee (company registration number: 04465743) and a registered charity in England (charity registration number: 1096603). The address of the registered office is given in the charity information on page 1 of these financial statements.

The nature of the charity's operations and principal activities are to inspire and support children with Cerebral Palsy and adults with stroke, MS and Parkinson's, adult Cerebral Palsy, Head Injury and their families. Through a system of learning called Conductive Education we encourage and teach our children/participants to take an active role in their own development.

As a company limited by guarantee, in the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### Basis of accounting

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

These financial statements present the 12 month period ended 31st August 2020, whilst the comparatives present 14 months for the period 1<sup>st</sup> July 2018 to 31<sup>st</sup> August 2019. In the comparative year the charity changed its accounting reference date to be more consistent with that of schools and the period of the school term.

#### Fixed assets

All fixed assets are initially recorded at cost.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 2% straight line
Garden	- 10% straight line
Office Equipment	- 25% straight line
Fixtures and Fittings	- 25% straight line
Software	- 20% straight line

# THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31<sup>ST</sup> AUGUST 2020

### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

### Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

### Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

# THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD ENDED 31<sup>st</sup> AUGUST 2020

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Income from the charity shop is included in the year in which it is receivable.

Income from investments is included in the year in which it is receivable.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

#### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure is classified under headings of Fundraising costs or charitable activities as appropriate, which aggregate all costs related to the activities of the charity. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Premises overheads have been allocated on a floor area basis and other overheads have been allocated on the basis of the head count.

Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its charitable objectives and services for its beneficiaries.

Fundraising costs are those costs associated with managing the generation of funds into the charity, to provide the charity with the funds to deliver its activities and services for its beneficiaries.

#### **Funds structure**

The charity has a number of restricted income funds to account for a situation where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

Unrestricted income funds are funds available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are funds set aside by the trustees out of unrestricted income funds for specific future purposes or projects. The fixed assets fund represents amounts invested in fixed assets for use by the charity in respect of the property, The Bradbury Building.

#### **Pension costs**

The charity makes payments to a defined contribution pension scheme on behalf of key employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of financial activities.

#### **Going Concern**

The charity is heavily reliant on voluntary income sources, primarily donations and fundraising from the local community, to provide it with the funds it needs in order to support the services it delivers. Due to the nature of these voluntary income sources, the related cash flows are difficult for the charity to forecast with reasonable certainty, both in respect of the quantity and timing of these cash flows. Conversely the

**THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD ENDED 31<sup>ST</sup> AUGUST 2020**

charity's expenditure, which consists primarily of staff costs of providing the charitable services and supporting the charitable services, are relatively fixed monthly amounts that can be predicted with reasonable certainty. The result of these factors is that the charity is exposed to significant fluctuations in its cash flows, which has a direct impact on its cash resources.

To manage these risks, the charity seeks to maintain cash reserves within its bank account equivalent to at least 6 months operating costs (circa £308,436) (2019-circa £305,880), in order to provide it with a stable platform from which it can make medium to long-term planning decisions on its services.

The trustees have carefully considered the funding requirements of the charity, including a review of the ongoing issues arising from the Covid 19 pandemic and are confident that from the strategies that have been implemented, the charity will have sufficient resources for it to continue for the foreseeable future. Accordingly the trustees continue to adopt the going concern basis of accounting in preparing these financial statements.

**THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD ENDED 31<sup>ST</sup> AUGUST 2020**

**2. DONATIONS, LEGACIES AND RAISING FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 (14 mths) £
<b>Donations</b>				
Donations – Community	105,076	3,344	108,420	151,461
Donations – Corporate and exec events	62,705	5,023	67,728	90,175
Donations – Trusts and foundations	110,108	124,942	235,050	206,964
Donations – Appeal	8,735	-	8,735	109,128
Government Grants Received	122,204	-	122,204	-
Gifts in kind	3,000	-	3,000	3,500
Other	854	-	854	102
<b>Legacies</b>				
Bequests and legacies received	-	-	-	-
<b>Activities for raising funds</b>				
Shop income	111,698	-	111,698	216,151
Events	7,967	-	7,967	26,799
Rental income	6,649	-	6,649	7,717
	<u>538,996</u>	<u>133,309</u>	<u>672,305</u>	<u>811,997</u>

Income from donations, legacies and raising funds for the period ending 31<sup>st</sup> August 2019 included £152,772 of restricted donations.

Included in Unrestricted Trusts and Foundations there is £25,000 from Garfield Weston Foundation towards core costs.

Government grants received includes furlough claims for salaries and Local Council grants for shop rates.

**3. INVESTMENT INCOME**

	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 (14 mths) £
Investment income - deposit interest	<u>1,106</u>	<u>1,106</u>	<u>1,501</u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Total Funds 2020 £	Total Funds 2019 (14 mths) £
Fees received from Conductive Education	<u>112,739</u>	<u>112,739</u>	<u>112,117</u>
	<u>112,739</u>	<u>112,739</u>	<u>112,117</u>

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31<sup>st</sup> AUGUST 2020

5. COSTS OF GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 (14 mths) £
Shop costs	107,991	-	107,991	128,788
Events and other fundraising costs	16,639	-	16,639	50,503
Fundraising salary costs	82,333	-	82,333	158,930
	<u>206,963</u>	<u>-</u>	<u>206,963</u>	<u>338,221</u>

6. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 (14 mths) £
Conductive Education wages and salaries	113,431	121,169	234,600	360,197
Administration wages and salaries	67,498	-	67,498	112,594
Rent, rates and other establishment expenditure	10,402	2,767	13,169	25,962
Repairs and maintenance	8,369	2,226	10,595	19,448
Insurance	3,862	1,027	4,889	4,807
Motor expenses and travel	1,570	418	1,988	5,551
Legal and professional fees	37,103	9,870	46,973	78,461
Office expenses	12,506	2,847	15,353	25,672
Bad debts	1,678	-	1,678	8,600
Telephone	786	209	995	1,672
Depreciation	40,790	-	40,790	47,816
Loss on disposal of fixed assets	-	-	-	-
Audit and accountancy fees	5,000	-	5,000	5,000
Other governance costs	2,412	-	2,412	11,439
	<u>305,407</u>	<u>140,533</u>	<u>445,940</u>	<u>707,219</u>

Costs of charitable expenditure for the year period ending 31st August 2019 included £222,179 in respect of restricted funds.



**THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD ENDED 31<sup>st</sup> AUGUST 2020**

**7. NET INCOMING RESOURCES FOR THE PERIOD**

This is stated after charging:

	<b>2020</b>	2019 (14 mths)
	£	£
Depreciation	<b>47,790</b>	47,816
Auditors' fees	<b>5,000</b>	5,000
Loss on disposal of fixed assets	-	-
	<u><b>-</b></u>	<u><b>-</b></u>

**8. STAFF COSTS AND EMOLUMENTS**

**Total staff costs were as follows:**

	<b>2020</b>	2019 (14 mths)
	£	£
Wages and salaries	<b>412,144</b>	657,690
Social security costs	<b>29,853</b>	50,154
Pension costs	<b>7,204</b>	9,959
	<u><b>449,202</b></u>	<u><b>717,804</b></u>

**Particulars of employees:**

The total number of employees during the period, was as follows:

	<b>2020</b>	2019 (14 mths)
	No	No
Number of administrative staff	<b>4</b>	6
Number of Conductive staff	<b>13</b>	13
Number of fundraising staff	<b>3</b>	5
Number of shop staff	<b>7</b>	7
	<u><b>27</b></u>	<u><b>31</b></u>

No employee received emoluments of more than £60,000 during the period (2019 – £nil).

No remuneration was paid to any Trustees during the period (2019 – £nil). The Trustees provide their time to the charity on a voluntary basis only.

No expenses were reimbursed to any Trustee during the period (2019 - £nil).

Trustees made donations to the charity totalling £nil during the period (2019 – £1,400).

**9. TAXATION**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31<sup>st</sup> AUGUST 2020

10. TANGIBLE FIXED ASSETS

	Long leasehold property £	Garden £	Software £	Office and other equipment £	Fixtures and fittings £	Total £
<b>COST</b>						
At 1 September 2019	914,948	130,064	13,735	45,937	60,195	1,164,879
Transfers	-	-	-	-	-	-
Additions	-	-	-	2,050	2,913	4,963
Disposals	-	-	-	-	-	-
<b>At 31 August 2020</b>	<b>914,948</b>	<b>130,064</b>	<b>13,735</b>	<b>47,986</b>	<b>63,108</b>	<b>1,169,842</b>
<b>DEPRECIATION</b>						
At 1 September 2019	243,165	47,528	3,596	39,156	45,273	378,720
Transfers	-	-	-	-	-	-
Charge for the period	18,299	9,344	2,747	3,802	6,598	40,790
On disposals	-	-	-	-	-	-
<b>At 31 August 2020</b>	<b>261,464</b>	<b>56,872</b>	<b>6,343</b>	<b>42,959</b>	<b>51,871</b>	<b>419,510</b>
<b>NET BOOK VALUE</b>						
<b>At 31 August 2020</b>	<b>653,483</b>	<b>73,192</b>	<b>7,392</b>	<b>5,028</b>	<b>11,237</b>	<b>750,332</b>
At 31 August 2019	671,782	82,536	10,139	6,780	14,922	786,159

The land upon which The Bradbury Building is built is held on a 125 year lease, of which 110 years are remaining, from Fareham Borough Council.

11. DEBTORS

	2020 £	2019 £
Accounts receivable	12,499	27,463
Prepayments and accrued income	59,801	34,222
Other debtors	-	-
	<b>72,299</b>	<b>61,685</b>

12. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Accounts payable	11,998	15,620
Accruals and deferred income	22,375	48,216
Other creditors	2,499	1,796
PAYE and social security	6,982	9,817
	<b>43,854</b>	<b>75,449</b>

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31<sup>st</sup> AUGUST 2020

13. COMMITMENTS UNDER OPERATING LEASES

At 31<sup>st</sup> August 2020 the charity had annual commitments under non-cancellable operating leases as set out below.

	2020		2019	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	27,800	4,994	26,500	5,198
Within 2 to 5 years	79,850	9,852	97,249	14,846
After more than 5 years	2,375	–	11,875	–
	<u>110,025</u>	<u>14,846</u>	<u>135,624</u>	<u>20,044</u>

14. RELATED PARTY TRANSACTIONS

Donations and purchases from companies in which a trustee has an interest.

	2020	2019
	£	(14 mths) £
Donations	240	1,400
PR Services	9,960	5,400

15. RESTRICTED INCOME FUNDS

	Balance at 1 Sep 2019	Incoming resources	Resources expended	Transfers	Balance at 31 Aug 2020
	£	£	£		£
Sessions & Projects					
Adult services	5,959	20,412	(26,245)	-	126
Children's services	12,855	95,563	(91,677)	-	16,741
Early Intervention	1,709	5,000	(5,875)	-	834
Finding a Voice Project	6,598	-	(67)	-	6,531
Helping Hand fund	4,664	-	-	-	4,664
Parkinsons	2,523	2,804	(3,821)	-	1,506
Saturday Club	3,000	9,530	(12,530)	-	-
Service equipment	375	-	(318)	-	57
	<u>37,683</u>	<u>133,309</u>	<u>(140,533)</u>	<u>-</u>	<u>30,459</u>

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31<sup>st</sup> AUGUST 2020

Restricted funds are restricted to the sessions listed above and donations are only used for these specific purposes.

Included in Adult Services is £20,412 from the Dunhill Medical Trust towards the salary of an Adult Conductor.

Included in Saturday Club is £9,530 from Children In Need towards the costs of providing Saturday Club for children.

16. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sep 2019 £	Incoming resources £	Outgoing resources £	Transfers £	Balance 31 Aug 2020 £
<b>Designated funds</b>					
Fixed assets fund	786,160	-	(40,790)	4,963	750,333
Total designated funds	786,160	-	(40,790)	4,963	750,333
 Unrestricted income funds					
	173,263	652,841	(471,579)	(4,963)	349,562
 <b>At 31 August 2020</b>	<b>959,423</b>	<b>652,841</b>	<b>(512,369)</b>	<b>-</b>	<b>1,099,895</b>

17. SUBSEQUENT EVENTS

In October 2020 the Centre received an unrestricted Legacy of £135,275.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds £	Total £
Tangible fixed assets	750,332	-	750,332
Cash at bank and in hand	321,117	30,459	351,576
Debtors	72,299	-	72,299
Creditors	(43,854)	-	(43,854)
 <b>Total Funds</b>	<b>1,099,894</b>	<b>30,459</b>	<b>1,130,353</b>

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31<sup>st</sup> AUGUST 2020

19. CASH GENERATED FROM OPERATIONS

	2020 £	2019 (14mths) £
Net movement in funds for the period	133,248	(119,825)
Adjustments for:		
Depreciation	40,790	47,816
Interest receivable	(1,106)	(1,501)
Loss on disposal of fixed assets	-	-
(Increase)/decrease in debtors due to cash flows	(10,614)	(18,750)
Increase/(decrease) in creditors due to cash flows	(31,595)	27,311
<b>Net cash (used in)/provided by operating activities</b>	<b>130,721</b>	<b>(64,949)</b>