

COMPANY REGISTRATION NUMBER: 06580163

CHARITY REGISTRATION NUMBER: 1126581

**The Rainbow Centre (Marham)**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31st May 2021**

**STEPHENSON SMART (EAST ANGLIA) LIMITED**

Chartered accountants & statutory auditor

22-26 King Street

King's Lynn

Norfolk

PE30 1HJ

# **The Rainbow Centre (Marham)**

**Company Limited by Guarantee**

**Financial Statements**

**Year ended 31st May 2021**

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# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

#### **Year ended 31st May 2021**

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31st May 2021.

#### **Reference and administrative details**

<b>Registered charity name</b>	The Rainbow Centre (Marham)
<b>Charity registration number</b>	1126581
<b>Company registration number</b>	06580163
<b>Principal office and registered office</b>	Elm Road Upper Marham King's Lynn Norfolk PE33 9NF

#### **The trustees**

Sqn Ldr D Smith	
Mr G Walker	
Sgt R Douglas	(Retired 22nd September 2020)
Sqn Ldr M Hayward	
Mrs D Gent	
Sqn Ldr B Norton, Chairman	
	(Appointed 22nd September 2020)
Cpl K Scott	
Wg Cdr J Walls	
Mrs C Wilson	(Appointed 12th October 2021)
Mrs H Marr	(Appointed 28th September 2021)

**Company secretary** Mrs D Gent

**Auditor** Stephenson Smart (East Anglia) Limited  
Chartered accountants & statutory auditor  
22-26 King Street  
King's Lynn  
Norfolk  
PE30 1HJ

**Bankers** SIF  
RAF Marham  
King's Lynn  
Norfolk  
PE33 9NF

**Website** <https://www.marhamrainbowcentre.com/>

# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31st May 2021**

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

The Rainbow Centre (Marham) is a company limited by guarantee, governed by its Memorandum & Articles of Association dated 29 April 2008. It is a registered charity, established on 29 April 2008, at which point it took over the operation of the service of its predecessor charity.

Anybody can apply to become a member of the company. The liability of each member is limited to £1 in the event of the company having to be wound up.

#### **Recruitment and training of trustees**

Trustees are elected at the Annual General Meeting. One third of the trustees must retire in rotation at each Annual General Meeting, but may be re-appointed at the same meeting. No trustee of the air-force rank of Squadron Leader or above shall be entitled to retire unless a new trustee of the same rank or above is first appointed.

The trustees may at any time co-opt any person suitably qualified to be appointed as a trustee to fill a casual vacancy or as an additional trustee. Co-opted trustees retain their office until the next Annual General Meeting, but are then eligible for re-election.

Trustees' vacancies are advertised locally as they arise. New trustees receive an induction into the workings of the Centre and are provided with Terms of Reference relevant to their position. All trustees are required to have Disclosure and Barring checks.

The cost of Trustee's Indemnity Insurance for the period was included within the charity's annual insurance policy and as such cannot be separately determined.

#### **Organisational structure**

The trustees are responsible for the overall management and control of the Centre and meet at least every four months. The day to day running of the Centre is delegated to the Centre Manager, Mrs D Gent.

#### **Risk management**

The trustees are responsible for the management of the risks faced by the Centre. Detailed considerations of risk are delegated to the Centre Manager who identifies and assesses risk and establishes the necessary controls.

The key controls used by the Charity include:

- Setting formal agendas for all Committee and Board Meetings.
- Providing detailed Terms of Reference for all Committee Members.
- Maintaining a comprehensive strategic plan, budgets and management accounts.
- Establishing an organisational structure with line management.
- Maintaining written policies.
- Providing clear authorisation with approval levels.
- Vetting procedures for the protection of the vulnerable.

The trustees are satisfied that the major risks have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31st May 2021**

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#### **Objectives and activities**

##### **Charitable objects**

The Charity's Objects, as set out in the Constitution are to enhance the care, development and education of children primarily under statutory school age, but also in Breakfast and After School Clubs by encouraging parents to understand and provide for the needs of their children through community groups and by:

- Offering appropriate play facilities and training courses together with the right of parents to take responsibility for and become involved in the activities of such groups, ensuring that such groups offer opportunities for all children, whatever their race, culture, religion, means or ability.
- Encouraging the study of the needs of such children and their families and promoting public interest in and recognition of such needs in the local area.
- Providing a safe and secure environment, where parents are happy in the knowledge that their children receive quality care.
- Advancing the education of children by offering a supportive, challenging and encouraging environment, where children can relax, have fun and be with friends.
- Providing a reliable and consistent service.
- Working within a framework that ensures equality of opportunity for all children and families.
- Instigating and adhering to and furthering the aims of the Pre-School Learning Alliance.

##### **Aims and intended impact**

Within these Objects, the Centre's aim is to provide the highest quality learning and care in a loving, nurturing, safe environment that is vibrant, purposeful, challenging and supportive to enable children to fulfil their potential and stand the best chance of developing into confident and successful learners.

#### **Achievements and performance**

##### **Operational performance of the centre**

This year has seen the Centre continue to provide an excellent service during the challenging times of the Covid Pandemic. Continuous improvements have been made through evaluation and reflection of our practice as we strive to raise standards and improve the children's lives. This is reflected in the results of the most recent OFSTED inspection held in May 2019, where for the third time an outstanding grade was achieved overall. An inspection by Norfolk County Council in October 2010 also graded the Centre as outstanding.

With ongoing training at the top of our agenda, we continue to celebrate many staff gaining their National Vocational Qualification (NVQ) at levels 2, 3, 4 and 5. One member of staff has also achieved level 6. The Centre Manager is a graduate of the Early Years Professional Status (EYPS) qualification.

The Charity continually seeks to develop and improve the Centre, to enable the provision of childcare of the highest quality. In order to set firm foundations upon which children can build, the Charity aims to maximise the opportunities offered to children, and to give them memorable and long-lasting experiences.

To add to the developments of previous periods, the Charity has further enhanced the Centre's facilities by:

- Refreshing and renewing the resources available to assist children with learning through play.

# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31st May 2021**

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#### **Achievements and performance *(continued)***

These developments, both in and outdoors, will enable child-focused activities to continue promoting holistic development and learning through the guidelines of the statutory Early Years Foundation Stage Document. Past developments have proven to be very successful and an enhancement to the Centre's environment. It promulgates the ethos of the Centre, which is that the child is at the centre of the curriculum.

#### **Financial review**

##### **Results for the year**

The results for the year and the charity's financial position at the year end are shown in the attached financial statements. The charity has continued to raise the majority of its funds through fees paid by parents and grants received. Parent fees paid were reduced significantly due to the Covid 19 Pandemic where only children of Key Workers could attend Nursery for parts of the year. Taking into consideration the pressures of the Covid Pandemic the trustees consider the results for the year to be satisfactory.

##### **Reserves**

The charity seeks to maintain a level of reserves to meet its needs for the foreseeable future whilst enabling it to meet the needs of the children using the service, the Trustees also always try to maintain reserves high enough to cover minimum statutory redundancy payments of circa £171,000 should the centre ever have to close. Reserves are funds which are unrestricted and undesignated and which are not represented by tangible fixed assets held for charitable use. At the year end the charity held reserves totalling £233,309. The trustees designate funds from time to time to enable the costs of larger projects to be met.

##### **Investments**

The funds held by the Centre are banked through the Service Institute Fund (SIF) and achieve a satisfactory rate of interest. The trustees, having in mind the liquidity requirements of operating the Centre, have maintained a policy of keeping funds in a current account that is easily accessible.

##### **Donated services and facilities**

The Rainbow Centre occupies a building owned by The Defence Infrastructure Organisation. Rent payments for use of the building begun on the 1st October 2016 at a reduced rate, the reduction from the market value of rent is treated as donated income. The Defence Infrastructure Organisation also pays for the lighting and heating of the Centre. The value of these donated amounts is included in the Statement of Financial Activities and detailed in note 5 to the financial statements.

The Trustees give of their time freely.

# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31st May 2021**

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#### **Financial review *(continued)***

##### **Financial Instruments**

The charity uses various financial instruments including cash, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the charity's operations. The charity does not usually use derivative financial instruments to hedge risk as they are not deemed to be significant.

The existence of these financial instruments exposes the charity to a number of financial risks, which are described in more detail below. The main risk arising from the charity's financial instruments is credit risk. The trustees review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

##### **Credit risk**

The charity is exposed to credit risk on its debtors.

##### **Liquidity risk**

The charity manages its cash requirements in order to minimise interest expense, whilst ensuring the charity has sufficient liquid resources to meet the operating needs of the business.

##### **Interest rate risk**

The charity is exposed to minimal interest rate risks, as it usually operates with a positive cash balance due to careful cash flow planning. Fluctuating interest income from bank balances is not a risk to the charity.

#### **Plans for future periods**

##### **Future plans**

Key objectives are; to continue to provide outstanding care; and to ensure the centre is ready to deal with fluctuations in child numbers during the transitional period as the Lightning Jet Squadrons arrive at Marham; this process should be complete by 2023. The centre also wishes to retain their core of highly trained staff. The centre does not plan any major refurbishments while there is still great uncertainty over the effects of Covid 19 on operations.

The Centre will continue to encourage and support staff training, with a focus on increasing knowledge of child protection, first aid and outdoor learning. Staff wishing to gain their NVQ in child care will also be supported, with the Centre contributing up to 50% depending on the course, towards the costs of working towards levels 2 and 3.

The Centre wishes to promote staff wellbeing and plans to do this by implementing a wellbeing policy during 2021.

The Centre also intends to continue to encourage and build community relationships with the families who use the Centre.

##### **Public benefit**

The Trustees have a duty to report on public benefit by explaining the significant activities undertaken in order to carry out our aims for the public benefit and our achievements measured against those aims. We confirm that we have had regard to the Charity Commission's guidance on public benefit in reporting on the Charity's activities and achievements detailed above.

# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31st May 2021**

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#### **Trustees' responsibilities statement**

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditor**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.



# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31st May 2021**

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The trustees' annual report was approved on 10th November 2021 and signed on behalf of the board of trustees by:

Sqn Ldr B Norton  
Chairman

Mrs D Gent  
Trustee

# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Rainbow Centre (Marham)**

**Year ended 31st May 2021**

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#### **Opinion**

We have audited the financial statements of The Rainbow Centre (Marham) (the 'charity') for the year ended 31st May 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 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 charity's affairs as at 31st May 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charity 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 charity'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.

# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Rainbow Centre (Marham)** *(continued)*

**Year ended 31st May 2021**

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#### **Other information**

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

#### **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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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, 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
- 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 directors' report and from the requirement to prepare a strategic report.

# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Rainbow Centre (Marham)** *(continued)*

**Year ended 31st May 2021**

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#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity 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:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Rainbow Centre (Marham)** *(continued)*

**Year ended 31st May 2021**

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- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Michael Andrews FCA (Senior Statutory Auditor)

For and on behalf of  
Stephenson Smart (East Anglia) Limited  
Chartered accountants & statutory auditor

22-26 King Street  
King's Lynn  
Norfolk  
PE30 1HJ

10th November 2021

# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31st May 2021

		2021		2020
		Unrestricted funds	Total funds	Total funds
	Note	£	£	£
<b>Income and endowments</b>				
Donations and grants	5	539,020	<b>539,020</b>	549,464
Charitable activities	6	602,253	<b>602,253</b>	777,696
Other trading activities	7	1,574	<b>1,574</b>	3,610
Investment income	8	21	<b>21</b>	149
<b>Total income</b>		<u>1,142,868</u>	<u><b>1,142,868</b></u>	<u>1,330,919</u>
<b>Expenditure</b>				
Expenditure on raising funds:				
Costs of other trading activities	9	452	<b>452</b>	2,345
Expenditure on charitable activities	10,11	1,098,752	<b>1,098,752</b>	1,387,130
<b>Total expenditure</b>		<u>1,099,204</u>	<u><b>1,099,204</b></u>	<u>1,389,475</u>
<b>Net income/(expenditure) and net movement in funds</b>		<u>43,664</u>	<u><b>43,664</b></u>	<u>(58,556)</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		198,248	<b>198,248</b>	256,804
<b>Total funds carried forward</b>		<u>241,912</u>	<u><b>241,912</b></u>	<u>198,248</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 15 to 24 form part of these financial statements.

# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Statement of Financial Position

31st May 2021

	Note	2021 £	£	2020 £
<b>Fixed assets</b>				
Tangible fixed assets	17		8,603	11,471
<b>Current assets</b>				
Debtors	18	5,014		49,644
Cash at bank and in hand		284,809		230,790
		<u>289,823</u>		<u>280,434</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>56,514</u>		<u>93,657</u>
<b>Net current assets</b>			<u>233,309</u>	<u>186,777</u>
<b>Total assets less current liabilities</b>			<u>241,912</u>	<u>198,248</u>
<b>Net assets</b>			<u>241,912</u>	<u>198,248</u>
<b>Funds of the charity</b>				
Unrestricted funds			241,912	198,248
<b>Total charity funds</b>	22		<u>241,912</u>	<u>198,248</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 10th November 2021, and are signed on behalf of the board by:

Sqn Ldr B Norton  
Chairman

Mrs D Gent  
Trustee

Under the Companies Act 2006 s454, on a voluntary basis, the trustees can amend these financial statements if they subsequently prove to be defective.

The notes on pages 15 to 24 form part of these financial statements.

# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31st May 2021

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	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Net income/(expenditure)	43,664	(58,556)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	2,868	3,824
Government grant income	(117,832)	(88,251)
Other interest receivable and similar income	(21)	(149)
Accrued expenses	6,311	13,319
<i>Changes in:</i>		
Trade and other debtors	44,630	(42,908)
Trade and other creditors	(43,454)	(13,686)
Cash generated from operations	(63,834)	(186,407)
Interest received	21	149
Net cash used in operating activities	<u>(63,813)</u>	<u>(186,258)</u>
<b>Cash flows from financing activities</b>		
Government grant income	117,832	88,251
Net cash from financing activities	<u>117,832</u>	<u>88,251</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	54,019	(98,007)
<b>Cash and cash equivalents at beginning of year</b>	230,790	328,797
<b>Cash and cash equivalents at end of year</b>	<u>284,809</u>	<u>230,790</u>

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The notes on pages 15 to 24 form part of these financial statements.



# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31st May 2021**

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#### **1. General information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Elm Road, Upper Marham, King's Lynn, Norfolk, PE33 9NF.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### **3. Accounting policies**

##### **Reserves**

The charity seeks to maintain a level of reserves to meet its needs for the foreseeable future whilst enabling it to meet the needs of the children using the service. The Trustees always try to maintain reserves high enough to cover minimum statutory redundancy payments of circa £173,000 should the centre ever have to close. Reserves are defined as unrestricted and undesignated funds which are not represented by tangible fixed assets held for charitable use.

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

The financial statements have been prepared on the historical cost basis.

The Rainbow Centre (Marham) meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity. Figures are rounded to the nearest whole pound sterling.

The financial statements cover an individual entity

##### **Going concern**

There are no material uncertainties about the charity's ability to continue.

##### **Donated services and facilities**

These are included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

##### **Debtors**

Debtors are measured at their recoverable amounts; the amount the charity anticipates it will receive from a debt or the amount it has paid in advance for goods or services.

# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

#### **Year ended 31st May 2021**

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##### **Creditors**

Creditors are recognised for the amount that the charity anticipates it will pay to settle the debt or the amount it has received as an advance payment for goods or services it must provide.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Fund accounting**

Grants, donations and fundraising income received for a specific purpose have been included within restricted income funds. All other funds are unrestricted income funds. Unrestricted income funds include designated funds which have been earmarked by the trustees for a specific purpose.

The trustees designate funds from time to time to enable the costs of larger projects to be met.

##### **Incoming resources**

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Fundraising income is credited to unrestricted funds in the period in which the fundraising event is held.

Income from grants is included in incoming resources on an accruals basis. Where the grant is for the general purposes of the charity it is credited to unrestricted funds. Where the use of the grant has been specified by the grantor, it is credited to restricted funds.

##### **Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis. Irrecoverable VAT is included with the item of expense to which it relates.

The cost of generating funds includes all costs relating to fundraising events.

Resources expended on charitable activities include all costs relating to the provision of childcare services.

Governance costs comprise the costs of running the charity, including external audit, legal advice and the costs of complying with constitutional and statutory requirements.

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

# **The Rainbow Centre (Marham)**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

#### **Year ended 31st May 2021**

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#### **3. Accounting policies *(continued)***

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### **Tangible assets**

Tangible fixed assets costing over £1,500 are capitalised unless it is felt that the cost has been covered by grants in that year or the costs are in respect of improvements to the outdoor area and therefore cannot be removed from the property. Where assets are not capitalised, the resources expended are shown in the Statement of Financial Activities in the same year as any related income.

##### **Depreciation**

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

Equipment	- 25% reducing balance
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##### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31st May 2021

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#### 3. Accounting policies *(continued)*

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

#### 4. Limited by guarantee

A member's liability to contribute to the net assets of the charitable company on a winding up is limited to £1.

#### 5. Donations and grants

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
<b>Donations</b>				
Miscellaneous donations	2,612	<b>2,612</b>	—	—
<b>Grants</b>				
Norfolk County Council	361,187	<b>361,187</b>	389,374	<b>389,374</b>
Government grant income	117,832	<b>117,832</b>	88,251	<b>88,251</b>

# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31st May 2021

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**5. Donations and grants *(continued)***

	Unrestricted Funds £	<b>Total Funds 2021 £</b>	Unrestricted Funds £	Total Funds 2020 £
<b>Other donations and legacies</b>				
Donated light and heat costs	21,689	<b>21,689</b>	21,689	<i>21,689</i>
Donated rent costs	35,700	<b>35,700</b>	50,150	<i>50,150</i>
	<u>539,020</u>	<u><b>539,020</b></u>	<u>549,464</u>	<u><i>549,464</i></u>

**6. Charitable activities**

	Unrestricted Funds £	<b>Total Funds 2021 £</b>	Unrestricted Funds £	Total Funds 2020 £
Provision of childcare services	<u>602,253</u>	<u><b>602,253</b></u>	<u>777,696</u>	<u><i>777,696</i></u>

**7. Other trading activities**

	Unrestricted Funds £	<b>Total Funds 2021 £</b>	Unrestricted Funds £	Total Funds 2020 £
Fundraising events	<u>1,574</u>	<u><b>1,574</b></u>	<u>3,610</u>	<u><i>3,610</i></u>

**8. Investment income**

	Unrestricted Funds £	<b>Total Funds 2021 £</b>	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>21</u>	<u><b>21</b></u>	<u>149</u>	<u><i>149</i></u>

**9. Costs of other trading activities**

	Unrestricted Funds £	<b>Total Funds 2021 £</b>	Unrestricted Funds £	Total Funds 2020 £
Costs of other trading activities - Fundraising events	<u>452</u>	<u><b>452</b></u>	<u>2,345</u>	<u><i>2,345</i></u>

# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31st May 2021

#### 10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Provision of childcare services	1,095,271	1,095,271	1,383,849	1,383,849
Support costs	3,481	3,481	3,281	3,281
	<u>1,098,752</u>	<u>1,098,752</u>	<u>1,387,130</u>	<u>1,387,130</u>

All support costs other than audit fees and interest payable, have been allocated to the sole charitable activity of the Charity.

#### 11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Provision of childcare services	1,095,271	—	1,095,271	1,383,849
Governance costs	—	3,481	3,481	3,281
	<u>1,095,271</u>	<u>3,481</u>	<u>1,098,752</u>	<u>1,387,130</u>

#### 12. Analysis of support costs

	Audit Fees £	Total 2021 £	Total 2020 £
Governance costs	3,480	3,480	3,280

#### 13. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	2,868	3,824
Operating leases - buildings	51,000	51,000
Operating leases - equipment	513	451
Employers pension contributions	28,319	45,706
Auditors remuneration- audit of the financial statements	<u>3,480</u>	<u>3,280</u>

#### 14. Auditors remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>3,480</u>	<u>3,280</u>

# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st May 2021

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##### 15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	881,070	1,051,360
Social security costs	65,407	72,564
Employer contributions to pension plans	28,319	45,706
	<u>974,796</u>	<u>1,169,630</u>

The average head count of employees during the year was 50 (2020: 66). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of production staff	44	58
Number of administrative staff	2	3
Number of management staff	4	5
	<u>50</u>	<u>66</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2021	2020
	No.	No.
£60,000 to £69,999	<u>—</u>	<u>1</u>

##### Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £55,086 (2020: £64,114).

##### 16. Trustee remuneration and expenses

Mrs D Gent, a trustee, received remuneration amounting to £55,086 (2020 - £64,114) in her role as Centre Manager. Included within this figure was £3,575 (2020: £9,634) in respect of pension contributions. The level of remuneration was agreed on an arms-length basis, by the Board of Trustees without the involvement of Mrs D Gent.

No other trustees or persons connected with trustees have received any remuneration during the year.

There were no payments in respect of trustees' expenses during the year.

No further related party transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st May 2021

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#### 17. Tangible fixed assets

	Equipment £	Total £
<b>Cost</b>		
At 1st June 2020 and 31st May 2021	21,162	<b>21,162</b>
<b>Depreciation</b>		
At 1st June 2020	9,691	<b>9,691</b>
Charge for the year	2,868	<b>2,868</b>
<b>At 31st May 2021</b>	<b>12,559</b>	<b>12,559</b>
<b>Carrying amount</b>		
At 31st May 2021	8,603	<b>8,603</b>
At 31st May 2020	11,471	<b>11,471</b>

#### 18. Debtors

	2021 £	2020 £
Trade debtors	1,983	1,032
Prepayments and accrued income	3,031	2,890
Other debtors	–	45,722
	<b>5,014</b>	<b>49,644</b>

#### 19. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	7,680	827
Accruals and deferred income	26,005	19,694
Social security and other taxes	–	5,875
Other creditors	22,829	67,261
	<b>56,514</b>	<b>93,657</b>

Included within Other creditors is £9,228 (2020: £52,415) relating to deferred income in respect of grants receivable for childcare to be provided after the period end.

#### 20. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £28,319 (2020: £45,706).



# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st May 2021

#### 21. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Recognised in income from donations and legacies:		
Government grants income	<b><u>117,832</u></b>	<b><u>88,251</u></b>

The Government grant of £117,832 (2020: £88,251) was to reimburse for Furloughed wages payments made to employees.

#### 22. Analysis of charitable funds

##### Unrestricted funds

	At 1st June 2020	Income	Expenditure	At 31st May 2021
	£	£	£	£
General funds	<u>198,248</u>	<u>1,142,868</u>	<u>(1,099,204)</u>	<b><u>241,912</u></b>

	At 1st June 2019	Income	Expenditure	At 31st May 2020
	£	£	£	£
General funds	<u>256,804</u>	<u>1,330,919</u>	<u>(1,389,475)</u>	<b><u>198,248</u></b>

#### 23. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2021
	£	£
Tangible fixed assets	8,603	<b>8,603</b>
Current assets	289,823	<b>289,823</b>
Creditors less than 1 year	(56,514)	<b>(56,514)</b>
<b>Net assets</b>	<b><u>241,912</u></b>	<b><u>241,912</u></b>

	Unrestricted Funds	Total Funds 2020
	£	£
Tangible fixed assets	11,471	11,471
Current assets	280,434	280,434
Creditors less than 1 year	(93,657)	(93,657)
Creditors greater than 1 year	—	—
<b>Net assets</b>	<b><u>198,248</u></b>	<b><u>198,248</u></b>

# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31st May 2021

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#### 24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<u>1,932</u>	<u>1,032</u>
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<u>19,000</u>	<u>10,278</u>

#### 25. Analysis of changes in net debt

	At 1 Jun 2020 £	Cash flows £	At 31 May 2021 £
Cash at bank and in hand	<u>230,790</u>	<u>54,019</u>	<u>284,809</u>

#### 26. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	<u>9,693</u>	<u>3,063</u>
Later than 1 year and not later than 5 years	<u>3,060</u>	<u>3,400</u>
	<u>12,753</u>	<u>6,463</u>

#### 27. Controlling party

The charity was controlled by the trustees throughout the current and previous period.

**The Rainbow Centre (Marham)**

**Company Limited by Guarantee**

**Management Information**

**Year ended 31st May 2021**

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**The following pages do not form part of the financial statements.**

**The Rainbow Centre (Marham)**  
**Company Limited by Guarantee**  
**Detailed Statement of Financial Activities**  
**Year ended 31st May 2021**

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	2021 £	2020 £
<b>Income and endowments</b>		
<b>Donations and grants</b>		
Miscellaneous donations	2,612	—
Norfolk County Council	361,187	389,374
Government grant income	117,832	88,251
Donated light and heat costs	21,689	21,689
Donated rent costs	35,700	50,150
	<u>539,020</u>	<u>549,464</u>
 <b>Charitable activities</b>		
Provision of childcare services	<u>602,253</u>	<u>777,696</u>
 <b>Other trading activities</b>		
Fundraising events	<u>1,574</u>	<u>3,610</u>
 <b>Investment income</b>		
Bank interest receivable	<u>21</u>	<u>149</u>
 <b>Total income</b>	 <u><u>1,142,868</u></u>	 <u><u>1,330,919</u></u>

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# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Detailed Statement of Financial Activities *(continued)*

Year ended 31st May 2021

	2021 £	2020 £
<b>Expenditure</b>		
<b>Costs of other trading activities</b>		
Purchases	<u>452</u>	<u>2,345</u>
<b>Expenditure on charitable activities</b>		
Purchases	21,232	69,118
Wages and salaries	881,070	1,051,360
Employer's NIC	65,407	72,564
Pension costs	28,319	45,706
Rent	51,000	51,000
Rates and water	250	—
Light and heat	21,689	21,689
Repairs and maintenance	2,636	7,522
Insurance	2,857	2,737
Legal and professional fees	4,462	4,246
Other office costs	7,820	7,257
Depreciation	2,868	3,824
Staff training	—	2,324
Equipment and improvements	9,142	47,783
	<u>1,098,752</u>	<u>1,387,130</u>
<b>Total expenditure</b>	<u>1,099,204</u>	<u>1,389,475</u>
<b>Net income/(expenditure)</b>	<u>43,664</u>	<u>(58,556)</u>

# The Rainbow Centre (Marham)

## Company Limited by Guarantee

### Notes to the Detailed Statement of Financial Activities

Year ended 31st May 2021

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	2021 £	2020 £
<b>Costs of other trading activities</b>		
<b>Costs of other trading activities - Fundraising events</b>		
Fundraising events	<u>452</u>	<u>2,345</u>
<b>Costs of other trading activities</b>	<u>452</u>	<u>2,345</u>
<b>Expenditure on charitable activities</b>		
<b>Provision of childcare services</b>		
<b><i>Activities undertaken directly</i></b>		
Groceries and consumables	21,232	69,118
Wages and salaries	881,070	1,051,360
Employer's NICs	65,407	72,564
Pension costs	28,319	45,706
Rent	51,000	51,000
Rates	250	—
Light and heat	21,689	21,689
Repairs and maintenance	2,636	7,522
Insurance	2,857	2,737
Legal and professional fees	981	965
Office costs	7,820	7,257
Depreciation	2,868	3,824
Staff training	—	2,324
Equipment and improvements	9,142	47,783
	<u>1,095,271</u>	<u>1,383,849</u>
<b>Governance costs</b>		
Governance costs - audit fees	<u>3,481</u>	<u>3,281</u>
<b>Expenditure on charitable activities</b>	<u>1,098,752</u>	<u>1,387,130</u>

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