

RAINBOW PRE-SCHOOL & EXTENDED SERVICES

England & Wales · Charity number 1158113

Details

Status Registered

Legal form CIO

Registered 2014-08-05

Register [View on the Charity Commission register](#)

Contact

Address Nursery Building
St. Andrews Lower School
Brunts Lane
Biggleswade
SG18 0LY

Phone 01767310230

Email Enquiries@rainbow-preschool.co.uk

Website www.rainbowpre-school-biggleswade.co.uk

Activities

Objects: THE CHARITY WORKS FOR THE PUBLIC BENEFIT HAVING AS ITS OBJECTS THE DEVELOPMENT AND EDUCATION OF CHILDREN AND YOUNG PEOPLE IN PARTICULAR BY:1) PROMOTING THEIR CARE AND SAFETY2) PROMOTING THEIR EDUCATION AND PROMOTING PARENTAL INVOLVEMENT3) PROMOTING THEIR HEALTH & WELLBEING4) PROVIDING SERVICES TO SUPPORT THEM AND THEIR FAMILIES AND CARERS

Activities: A Pre-School that nurtures amazing young minds through AFFORDABLE & FLEXIBLE early years education for children aged between 2 Years and 5 Years. We operate a breakfast and after school club during term time for children aged up to 11 Years, drop off and collect children from St Andrews Lower School, providing a complete all day service from 7.15am to 6.15pm. We are Ofsted rated OUTSTANDING.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Bedford

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£1,036,251	£1,038,955	£70,392	26
2023-08-31	£937,541	£895,818	£189,109	26
2022-08-31	£831,404	£818,829	£147,386	25
2021-08-31	£673,408	£755,383	£134,811	22
2020-08-31	£730,899	£689,562	£216,786	26

Trustees

Name	Role	Appointed
PETER TEUMA	Chair	2011-10-29
Helen Rae		2015-01-27
Julia Khan		2013-01-28

RAINBOW PRE-SCHOOL & EXTENDED SERVICES

England & Wales - Charity number 1158113

Accounts

CHARITY REGISTRATION NUMBER: 1158113

Rainbow Pre-School & Extended Services
Financial Statements
For the year ended
31 August 2024

Rainbow Pre-School & Extended Services

Financial Statements

Year ended 31 August 2024

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Rainbow Pre-School & Extended Services

Trustees' Annual Report

Year ended 31 August 2024

The trustees present their report and the financial statements of the charity for the year ended 31 August 2024.

Reference and administrative details

Registered charity name Rainbow Pre-School & Extended Services

Charity registration number 1158113

Principal office The Nursery Building
St Andrews Lower School
Brunts Lane
Biggleswade
Bedfordshire
SG18 0LY

The trustees Peter Teuma (Chair)
Debbie King (Treasurer)
Julia Khan
Helen Rae

Julia Khan is employed as the director of Rainbow Pre-School & Extended Services and is the person that any specific enquiries should be directed to, either at the above address or by direct email which is Juliakhan@rainbow-preschool.co.uk.

Auditor Streets Audit LLP
Chartered accountants & statutory auditor
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

Structure, governance and management

Structure

In October 2014 Rainbow Pre-School & Extended Services converted from an Unincorporated Charity to a Charitable Incorporated Organisation (CIO) and adopted the Charities Commission Model Constitution (Foundation).

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2024

Structure, governance and management *(continued)*

Governance and management

The aims for the future regarding Trustees is to always have a proportion of parents of children who attend our setting, but in addition we will recruit externally for members who have specific skills that are required to broaden the overall knowledge and skill set required for a committee of Trustees.

Julia Khan is the Director of Rainbow Pre-School & Extended Services as a paid member of staff, with overall responsibility for the daily operations across both sites. Direct reportees are:

- The Head of Rainbow Pre-School & Extended Services
- The Administration team (2 members of staff)

Hannah Adams the Head of Teaching and Child Development is a qualified Primary School Teacher and is responsible for the learning and development of all of the children in our care. Hannah line manages the Pre-School Managers from both east and west sites. The Pre-School Managers have overall responsibility for both pre-school and extended services sessions, the staffing structure therefore includes 2 deputy manager roles at both east and west, to cover breakfast and after school clubs. The Deputies report to the Managers. In addition, there is a Head of SEND who works across both sites and is responsible for children who have additional needs.

Recruitment and appointment of new trustees

Apart from the first charity trustees, every newly appointed trustee must be appointed for a term of two years by a resolution passed at a properly convened meeting of the charity trustees. New trustees may be recruited if an existing trustee stands down or if the committee feel that there is a need for a broader set of skills.

The recruitment exercise will consist of appropriate advertising including communication regarding any vacancies to all parents. Equal opportunity interviews will be carried out and the selection will take into account relevant experience and skills.

Trustees are not remunerated or receive any benefits for carrying out trustee duties.

Risk management

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

Regulators

Rainbow Pre-School & Extended Services are registered with Ofsted; registration numbers are EY482746 and EY493048.

Policies

All policies in place are reviewed annually by the Pre-School Director and the Head of Rainbow Pre-School & Extended Services. In particular, the following policies:

- Risk Management
- Safeguarding Vulnerable Beneficiaries
- Conflicts of Interest
- Volunteer Management
- Complaints Handling

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2024

Objectives and activities

Rainbow Pre-School & Extended Services works for the public benefit having as its objectives the development and education of children and young people, in particular by operating as a Pre-School that nurtures amazing young minds through affordable and flexible early years education. Focusing specifically on:

- Promoting care and safety
- Promoting education and promoting parental involvement
- Promoting health and well being
- Helping the children to become school ready before they make their transition to reception, providing them with the best start to full time education
- Being flexible and offering child care that is affordable to families, as a not for profit organisation.

Rainbow Pre-School & Extended Services operates in the town of Biggleswade, Bedfordshire, across 2 sites. The Head office is based at the West Site, Brunts Lane, Biggleswade and the 2nd site is Bantock Way, Biggleswade, both sites are within the grounds of St Andrews Lower School East and West. Rainbow is a Pre-School during term time (for children aged between 2 and 5 yrs old) and in addition offers a Breakfast Club, After School Club and School Holiday Club provision (children aged 2 to 9 yrs old). Both settings are open from 7.30am to 6pm for 50 weeks of the year.

Rainbow is a pre-school that nurtures amazing young minds through affordable and flexible early years education.

Achievements and performance

Charitable activities

We are happy to report this year that our main objectives have all been met.

Ofsted Inspection

Our west site is Ofsted rated OUTSTANDING and our east site is Ofsted rated GOOD.

Financial review

Financial

Rainbow Pre-School & Extended Services receives funding for children from families who are eligible to claim government funding. In addition, fees are charged for sessions not eligible to be funded.

There have been no internal fund raising events held throughout this year, other than a small amount of funding was raised by arranging letters from Santa and school photographs.

Reserves Policy

We aim to hold in reserve unrestricted funds that equal payment in lieu of notice periods for all staff and any other liabilities, which we estimate to be approximately £140,000. At the end of this financial period, we held £70,932 with £54,915 being unrestricted. Spending for the next academic year will be restricted until the shortfall is reduced.

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2024

Trustees' responsibilities statement

The trustees 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).

The law applicable to charities in England and Wales 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 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 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. 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.

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

Julia Khan
Trustee

Rainbow Pre-School & Extended Services

Independent Auditor's Report to the Trustees of Rainbow Pre-School & Extended Services

Year ended 31 August 2024

Opinion

We have audited the financial statements of Rainbow Pre-School & Extended Services (the 'charity') for the year ended 31 August 2024 which comprise the statement of financial activities, 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 31 August 2024 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 Charities Act 2011.

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.

Rainbow Pre-School & Extended Services

Independent Auditor's Report to the Trustees of Rainbow Pre-School & Extended Services *(continued)*

Year ended 31 August 2024

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.

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 Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; 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.

Other matter

The corresponding figures are unaudited.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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.

Rainbow Pre-School & Extended Services

Independent Auditor's Report to the Trustees of Rainbow Pre-School & Extended Services *(continued)*

Year ended 31 August 2024

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Rainbow Pre-School & Extended Services

Independent Auditor's Report to the Trustees of Rainbow Pre-School & Extended Services *(continued)*

Year ended 31 August 2024

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Streets Audit LLP
Chartered accountants & statutory auditor
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

Rainbow Pre-School & Extended Services

Statement of Financial Activities

Year ended 31 August 2024

		2024	2024		2023
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds (restated) £
Income and endowments					
Donations and legacies	4	–	–	–	6,214
Charitable activities	5	989,588	45,080	1,034,668	901,311
Other trading activities	6	483	–	483	1,749
Investment income	7	1,100	–	1,100	244
Total income		<u>991,171</u>	<u>45,080</u>	<u>1,036,251</u>	<u>909,518</u>
Expenditure					
Expenditure on charitable activities	8,9	992,139	46,816	1,038,955	895,818
Total expenditure		<u>992,139</u>	<u>46,816</u>	<u>1,038,955</u>	<u>895,818</u>
Net (expenditure)/income and net movement in funds		<u>(968)</u>	<u>(1,736)</u>	<u>(2,704)</u>	<u>13,700</u>
Reconciliation of funds					
Total funds brought forward as previously reported		171,896	17,213	189,109	147,386
Prior year adjustment		(116,013)	–	(116,013)	(87,990)
Total funds brought forward as restated		<u>55,883</u>	<u>17,213</u>	<u>73,096</u>	<u>59,396</u>
Total funds carried forward		<u>54,915</u>	<u>15,477</u>	<u>70,392</u>	<u>73,096</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 12 to 21 form part of these financial statements.

Rainbow Pre-School & Extended Services

Statement of Financial Position

31 August 2024

		2024		2023 (restated)	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	16		24,446		30,919
Current assets					
Stocks	17	500		2,294	
Debtors	18	181,270		104,762	
Cash at bank and in hand		<u>110,536</u>		<u>100,541</u>	
		292,306		207,597	
Creditors: amounts falling due within one year	19	<u>246,360</u>		<u>165,420</u>	
Net current assets			45,946		42,177
Total assets less current liabilities			<u>70,392</u>		<u>73,096</u>
Net assets			<u>70,392</u>		<u>73,096</u>
Funds of the charity					
Restricted funds			15,477		17,213
Unrestricted funds			<u>54,915</u>		<u>55,883</u>
Total charity funds	22		<u>70,392</u>		<u>73,096</u>

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

Julia Khan
Trustee

The notes on pages 12 to 21 form part of these financial statements.

Rainbow Pre-School & Extended Services

Statement of Cash Flows

Year ended 31 August 2024

	2024	2023 <i>(restated)</i>
	£	£
Cash flows from operating activities		
Net (expenditure)/income	(2,704)	13,700
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	6,473	8,698
Other interest receivable and similar income	(1,100)	(244)
Interest payable and similar charges	257	240
<i>Changes in:</i>		
Stocks	1,794	(247)
Trade and other debtors	(76,508)	(20,514)
Trade and other creditors	80,940	46,868
Cash generated from operations	9,152	48,501
Interest paid	(257)	(240)
Interest received	1,100	244
Net cash from operating activities	<u>9,995</u>	<u>48,505</u>
Cash flows from investing activities		
Purchase of tangible assets	–	(27,100)
Net cash used in investing activities	<u>–</u>	<u>(27,100)</u>
Net increase in cash and cash equivalents	9,995	21,405
Cash and cash equivalents at beginning of year	100,541	79,136
Cash and cash equivalents at end of year	<u>110,536</u>	<u>100,541</u>

The notes on pages 12 to 21 form part of these financial statements.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements

Year ended 31 August 2024

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Nursery Building, St Andrews Lower School, Brunts Lane, Biggleswade, Bedfordshire, SG18 0LY.

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 Charities Act 2011.

3. Accounting policies

Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

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

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.

Significant judgements

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Tangible fixed assets are recognised at cost, less accumulated depreciation. Depreciation is charged over the estimated life of the asset to its estimated residual value.

The recoverability of trade debtors are considered on a regular basis. When calculating the debtor provision, the trustees consider the age of the debts and the financial position of its customer.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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 classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation. Assets costing over £1,000 and having an expected life of over 12 months are capitalised.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

3. Accounting policies *(continued)*

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:

Short leasehold property improvements	-	Straight line over the remaining life of the lease
Fixtures and fittings	-	33% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Defined contribution plans

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

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 charity will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the charity recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the charity with no future related costs are recognised in income in the period in which it becomes receivable.

4. Donations and legacies

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023 <i>(restated)</i>
	£	£	£	£
Grants				
Grants receivable	—	—	6,214	6,214

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

5. Charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
Uniform sales	12	–	12
Government funding	488,934	45,080	534,014
Fees	495,053	–	495,053
School lunches	5,589	–	5,589
	<u>989,588</u>	<u>45,080</u>	<u>1,034,668</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2023 <i>(restated)</i>
	£	£	£
Uniform sales	–	–	–
Government funding	474,909	20,762	495,671
Fees	399,419	–	399,419
School lunches	6,221	–	6,221
	<u>880,549</u>	<u>20,762</u>	<u>901,311</u>

6. Other trading activities

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023 <i>(restated)</i>
	£	£	£	£
Fundraising events	<u>483</u>	<u>483</u>	<u>1,749</u>	<u>1,749</u>

7. Investment income

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023 <i>(restated)</i>
	£	£	£	£
Bank interest receivable	<u>1,100</u>	<u>1,100</u>	<u>244</u>	<u>244</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2024

8. Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
Provision of pre-school and extended services	731,422	45,080	776,502
Support costs	260,717	1,736	262,453
	<u>992,139</u>	<u>46,816</u>	<u>1,038,955</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2023 (restated)
	£	£	£
Provision of pre-school and extended services	640,177	3,404	643,581
Support costs	252,092	145	252,237
	<u>892,269</u>	<u>3,549</u>	<u>895,818</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2024 £	Total fund 2023 £
Provision of pre-school and extended services	776,502	251,336	1,027,838	892,107
Governance costs	–	11,117	11,117	3,711
	<u>776,502</u>	<u>262,453</u>	<u>1,038,955</u>	<u>895,818</u>

10. Analysis of support costs

	Provision of pre-school and extended services £	Total 2024 £	Total 2023 £
Governance costs	11,117	11,117	3,711
Management costs	56,635	56,635	57,157
Information technology	31,840	31,840	34,767
Human resources	12,449	12,449	8,272
Depreciation	6,473	6,473	8,698
Rent	16,108	16,108	16,056
Support staff salaries	66,446	66,446	64,006
Other	61,385	61,385	59,570
	<u>262,453</u>	<u>262,453</u>	<u>252,237</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2024

11. Net (expenditure)/income

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

	2024	2023 (restated)
	£	£
Depreciation of tangible fixed assets	6,473	8,698
Operating lease rentals	–	7,961
	<u> </u>	<u> </u>

12. Auditors remuneration

	2024	2023 (restated)
	£	£
Fees payable for the audit of the financial statements	6,450	–
	<u> </u>	<u> </u>
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	3,750	–
	<u> </u>	<u> </u>

13. Independent examination fees

	2024	2023 (restated)
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	–	3,471
	<u> </u>	<u> </u>

14. Staff costs

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

	2024	2023 (restated)
	£	£
Wages and salaries	714,787	639,390
Social security costs	52,849	44,336
Employer contributions to pension plans	15,930	12,451
	<u>783,566</u>	<u>696,177</u>

The average head count of employees during the year was 26 (2023: 26).

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

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 £50,100 (2023: £50,100).

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

15. Trustee remuneration and expenses

Julia Khan is both a trustee and is also employed as the director of the charity. She received remuneration of £50,978 (2023: £51,413) for her role as a director and the charity paid £878 (2023: £1,313) in pension contributions. This is permitted under the charity's constitution. No amounts were paid in respect of her role as a trustee.

No expenses were paid to any trustee during the year (2023: £nil).

16. Tangible fixed assets

	Short leasehold property improvements £	Fixtures and fittings £	Total £
Cost			
At 1 September 2023 (as restated)	27,100	117,079	144,179
Disposals	–	(10,314)	(10,314)
At 31 August 2024	<u>27,100</u>	<u>106,765</u>	<u>133,865</u>
Depreciation			
At 1 September 2023	226	113,034	113,260
Charge for the year	2,710	3,763	6,473
Disposals	–	(10,314)	(10,314)
At 31 August 2024	<u>2,936</u>	<u>106,483</u>	<u>109,419</u>
Carrying amount			
At 31 August 2024	<u>24,164</u>	<u>282</u>	<u>24,446</u>
At 31 August 2023	<u>26,874</u>	<u>4,045</u>	<u>30,919</u>

17. Stocks

	2024	2023 <i>(restated)</i>
	£	£
Uniforms	<u>500</u>	<u>2,294</u>

18. Debtors

	2024	2023 <i>(restated)</i>
	£	£
Trade debtors	179,140	102,732
Prepayments and accrued income	<u>2,130</u>	<u>2,030</u>
	<u>181,270</u>	<u>104,762</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2024

19. Creditors: amounts falling due within one year

	2024	2023 <i>(restated)</i>
	£	£
Trade creditors	–	12,379
Accruals and deferred income	224,675	119,373
Social security and other taxes	13,899	22,239
Other creditors	7,786	11,429
	<u>246,360</u>	<u>165,420</u>

20. Deferred income

	2024	2023 <i>(restated)</i>
	£	£
At 1 September 2023	116,013	87,990
Amount released to income	(116,013)	(87,990)
Amount deferred in year	198,367	116,013
At 31 August 2024	<u>198,367</u>	<u>116,013</u>

Deferred income is in respect of invoices raised in advance for fees for the academic year 2024/25.

21. 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 £15,930 (2023: £12,451).

Pension contributions amounting to £3,452 (2023: £3,218) were outstanding at the year end.

22. Analysis of charitable funds

Unrestricted funds

	At 1 September 2023	Income	Expenditure	Prior year adjustments	At 31 August 2024
	£	£	£	£	£
General funds	<u>171,896</u>	<u>991,171</u>	<u>(992,139)</u>	<u>(116,013)</u>	<u>54,915</u>
	At 1 September 2022	Income	Expenditure	Prior year adjustments	At 31 August 2023
	£	£	£	£	£
General funds	<u>147,386</u>	<u>888,756</u>	<u>(892,269)</u>	<u>(87,990)</u>	<u>55,883</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2024

22. Analysis of charitable funds (continued)

Restricted funds

	At 1 September 2023	Income	Expenditure	Prior year adjustments	At 31 August 2024
	£	£	£	£	£
Special Education Needs Funding	–	45,080	(45,080)	–	–
Landscaping project	17,213	–	(1,736)	–	15,477
	<u>17,213</u>	<u>45,080</u>	<u>(46,816)</u>	<u>–</u>	<u>15,477</u>

	At 1 September 2022	Income	Expenditure	Prior year adjustments	At 31 August 2023
	£	£	£	£	£
Special Education Needs Funding	–	3,404	(3,404)	–	–
Landscaping project	–	17,358	(145)	–	17,213
	<u>–</u>	<u>20,762</u>	<u>(3,549)</u>	<u>–</u>	<u>17,213</u>

During the year £45,080 (2023: £3,404) was received for Special Educational Needs provision. The income has been spent in full during the year on childcare staff costs.

During the previous year £17,358 was received from Central Bedfordshire Council towards the landscaping project. The resources expended represent the depreciation charge for the year.

23. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
Tangible fixed assets	8,969	15,477	24,446
Current assets	292,306	–	292,306
Creditors less than 1 year	(246,360)	–	(246,360)
Net assets	<u>54,915</u>	<u>15,477</u>	<u>70,392</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Tangible fixed assets	13,706	17,213	30,919
Current assets	207,597	–	207,597
Creditors less than 1 year	(165,420)	–	(165,420)
Net assets	<u>55,883</u>	<u>17,213</u>	<u>73,096</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

24. Prior year adjustments

A prior period adjustment was identified in respect of income that had not been deferred. The impact of the error is a reduction to the fee income in the prior year amounting to £28,023 and a reduction in the general funds brought forward at 31 August 2023 of £87,990, giving an overall reduction in the general funds brought forward at 31 August 2024 of £116,013.

25. Analysis of changes in net debt

	At 1 Sep 2023	Cash flows	At 31 Aug 2024
	£	£	£
Cash at bank and in hand	<u>100,541</u>	<u>9,995</u>	<u>110,536</u>

26. Operating lease commitments

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

	2024	2023 <i>(restated)</i>
	£	£
Not later than 1 year	20,040	21,614
Later than 1 year and not later than 5 years	68,208	72,192
Later than 5 years	<u>57,534</u>	<u>64,224</u>
	<u>145,782</u>	<u>158,030</u>

27. Related parties

There were no related party transactions during the year other than those disclosed in notes 14 and 15.

RAINBOW PRE-SCHOOL & EXTENDED SERVICES

England & Wales - Charity number 1158113

Accounts

CHARITY REGISTRATION NUMBER: 1158113

Rainbow Pre-School & Extended Services
Unaudited Financial Statements
For the year ended
31 August 2023

Rainbow Pre-School & Extended Services

Financial Statements

Year ended 31 August 2023

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Statement of financial position	7
Statement of cash flows	8
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Rainbow Pre-School & Extended Services

Trustees' Annual Report

Year ended 31 August 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2023.

Reference and administrative details

Registered charity name Rainbow Pre-School & Extended Services

Charity registration number 1158113

Principal office The Nursery Building
St Andrews Lower School
Brunts Lane
Biggleswade
Bedfordshire
SG18 0LY

The trustees Peter Teuma (Chair)
Debbie King (Treasurer)
Julia Khan
Helen Rae

Julia Khan is employed as the director of Rainbow Pre-School & Extended Services and is the person that any specific enquiries should be directed to, either at the above address or by direct email which is Juliakhan@rainbow-preschool.co.uk.

Independent examiner Shane Tharby FCA
For and on behalf of
Streets Chartered Accountants
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

Structure, governance and management

Structure

In October 2014 Rainbow Pre-School & Extended Services converted from an Unincorporated Charity to a Charitable Incorporated Organisation (CIO) and adopted the Charities Commission Model Constitution (Foundation).

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2023

Structure, governance and management *(continued)*

Governance and management

The aims for the future regarding Trustees is to always have a proportion of parents of children who attend our setting, but in addition we will recruit externally for members who have specific skills that are required to broaden the overall knowledge and skill set required for a committee of Trustees.

Julia Khan is the Director of Rainbow Pre-School & Extended Services as a paid member of staff, with overall responsibility for the daily operations across both sites. Direct reportees are:

- The Head of Rainbow Pre-School & Extended Services
- The Administration team (2 members of staff)

Hannah Adams the Head of Teaching and Child Development is a qualified Primary School Teacher and is responsible for the learning and development of all of the children in our care. Hannah line manages the Pre-School Managers from both east and west sites. The Pre-School Managers have overall responsibility for both pre-school and extended services sessions, the staffing structure therefore includes 2 deputy manager roles at both east and west, to cover breakfast and after school clubs. The Deputies report to the Managers. In addition, there is a Head of SEND who works across both sites and is responsible for children who have additional needs.

Recruitment and appointment of new trustees

Apart from the first charity trustees, every newly appointed trustee must be appointed for a term of two years by a resolution passed at a properly convened meeting of the charity trustees. New trustees may be recruited if an existing trustee stands down or if the committee feel that there is a need for a broader set of skills.

The recruitment exercise will consist of appropriate advertising including communication regarding any vacancies to all parents. Equal opportunity interviews will be carried out and the selection will take into account relevant experience and skills.

Trustees are not remunerated or receive any benefits for carrying out trustee duties.

Risk management

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

Regulators

Rainbow Pre-School & Extended Services are registered with Ofsted; registration numbers are EY482746 and EY493048.

Policies

All policies in place are reviewed annually by the Pre-School Director and the Head of Rainbow Pre-School & Extended Services. In particular, the following policies:

- Risk Management
- Safeguarding Vulnerable Beneficiaries
- Conflicts of Interest
- Volunteer Management
- Complaints Handling

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2023

Objectives and activities

Rainbow Pre-School & Extended Services works for the public benefit having as its objectives the development and education of children and young people, in particular by operating as a Pre-School that nurtures amazing young minds through affordable and flexible early years education. Focusing specifically on:

- Promoting care and safety
- Promoting education and promoting parental involvement
- Promoting health and well being
- Helping the children to become school ready before they make their transition to reception, providing them with the best start to full time education
- Being flexible and offering child care that is affordable to families, as a not for profit organisation.

Rainbow Pre-School & Extended Services operates in the town of Biggleswade, Bedfordshire, across 2 sites. The Head office is based at the West Site, Brunts Lane, Biggleswade and the 2nd site is Bantock Way, Biggleswade, both sites are within the grounds of St Andrews Lower School East and West. Rainbow is a Pre-School during term time (for children aged between 2 and 5 yrs old) and in addition offers a Breakfast Club, After School Club and School Holiday Club provision (children aged 2 to 9 yrs old). Both settings are open from 7.30am to 6pm for 50 weeks of the year.

Rainbow is a pre-school that nurtures amazing young minds through affordable and flexible early years education.

Achievements and performance

Charitable activities

We are happy to report this year that our main objectives have all been met.

Ofsted Inspection

Our west site is Ofsted rated OUTSTANDING and our east site is Ofsted rated GOOD.

Financial review

Financial

Rainbow Pre-School & Extended Services receives funding for children from families who are eligible to claim, government funding. In addition, fees are charged for sessions not eligible to be funded.

There have been no internal fund raising events held throughout this year, other than a small amount of funding was raised by arranging letters from Santa and school photographs.

Reserves Policy

We aim to hold in reserve unrestricted funds that equal payment in lieu of notice periods for all staff and any other liabilities, which we estimate to be approximately £140,000. At the end of this financial period, we held £171,896 in unrestricted reserves. It is anticipated that it will be possible to maintain the reserves we are aiming for in the next financial year.

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2023

The trustees' annual report was approved on28/6/24 and signed on behalf of the board of trustees by:



Julia Khan
Trustee

Rainbow Pre-School & Extended Services

Independent Examiner's Report to the Trustees of Rainbow Pre-School & Extended Services

Year ended 31 August 2023

I report to the trustees on my examination of the financial statements of Rainbow Pre-School & Extended Services ('the charity') for the year ended 31 August 2023.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

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

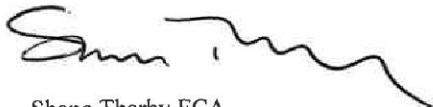
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Shane Tharby FCA
Independent Examiner

For and on behalf of
Streets Chartered Accountants
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

28 June 2024

Rainbow Pre-School & Extended Services

Statement of Financial Activities

Year ended 31 August 2023

		Unrestricted funds	2023 Restricted funds	Total funds	2022 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	6,214	–	6,214	11,500
Charitable activities	5	908,572	20,762	929,334	818,676
Other trading activities	6	1,749	–	1,749	1,167
Investment income	7	244	–	244	61
Total income		<u>916,779</u>	<u>20,762</u>	<u>937,541</u>	<u>831,404</u>
Expenditure					
Expenditure on charitable activities	8,9	<u>892,269</u>	<u>3,549</u>	<u>895,818</u>	<u>818,829</u>
Total expenditure		<u>892,269</u>	<u>3,549</u>	<u>895,818</u>	<u>818,829</u>
Net income and net movement in funds		<u>24,510</u>	<u>17,213</u>	<u>41,723</u>	<u>12,575</u>
Reconciliation of funds					
Total funds brought forward		147,386	–	147,386	134,811
Total funds carried forward		<u>171,896</u>	<u>17,213</u>	<u>189,109</u>	<u>147,386</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 9 to 17 form part of these financial statements.

Rainbow Pre-School & Extended Services

Statement of Financial Position

31 August 2023

	Note	2023 £	£	2022 £	£
Fixed assets					
Tangible fixed assets	15		30,919		12,517
Current assets					
Stocks	16	2,294		2,047	
Debtors	17	104,762		84,248	
Cash at bank and in hand		<u>100,541</u>		<u>79,136</u>	
		207,597		165,431	
Creditors: amounts falling due within one year	18	<u>49,407</u>		<u>30,562</u>	
Net current assets			158,190		134,869
Total assets less current liabilities			<u>189,109</u>		<u>147,386</u>
Net assets			<u>189,109</u>		<u>147,386</u>
Funds of the charity					
Restricted funds			17,213		-
Unrestricted funds			<u>171,896</u>		<u>147,386</u>
Total charity funds	20		<u>189,109</u>		<u>147,386</u>

These financial statements were approved by the board of trustees and authorised for issue on 28/8/24 and are signed on behalf of the board by:



Julia Khan
Trustee

The notes on pages 9 to 17 form part of these financial statements.

Rainbow Pre-School & Extended Services

Statement of Cash Flows

Year ended 31 August 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net income	41,723	12,575
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	8,698	12,642
Other interest receivable and similar income	(244)	(61)
Interest payable and similar charges	240	309
<i>Changes in:</i>		
Stocks	(247)	505
Trade and other debtors	(20,514)	(53,096)
Trade and other creditors	18,845	1,782
Cash generated from operations	48,501	(25,344)
Interest paid	(240)	(309)
Interest received	244	61
Net cash from/(used in) operating activities	<u>48,505</u>	<u>(25,592)</u>
Cash flows from investing activities		
Purchase of tangible assets	(27,100)	(9,997)
Net cash used in investing activities	<u>(27,100)</u>	<u>(9,997)</u>
Net increase/(decrease) in cash and cash equivalents	21,405	(35,589)
Cash and cash equivalents at beginning of year	<u>79,136</u>	<u>114,725</u>
Cash and cash equivalents at end of year	<u>100,541</u>	<u>79,136</u>

The notes on pages 9 to 17 form part of these financial statements.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements

Year ended 31 August 2023

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Nursery Building, St Andrews Lower School, Brunts Lane, Biggleswade, Bedfordshire, SG18 0LY.

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 Charities Act 2011.

3. Accounting policies

Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

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

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.

Significant judgements

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Tangible fixed assets are recognised at cost, less accumulated depreciation. Depreciation is charged over the estimated life of the asset to its estimated residual value.

The recoverability of trade debtors are considered on a regular basis. When calculating the debtor provision, the trustees consider the age of the debts and the financial position of its customer.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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 classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation. Assets costing over £1,000 and having an expected life of over 12 months are capitalised.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2023

3. Accounting policies (continued)

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:

Short leasehold property improvements	-	Straight line over the remaining life of the lease
Fixtures and fittings	-	33% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Defined contribution plans

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

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 charity will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the charity recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the charity with no future related costs are recognised in income in the period in which it becomes receivable.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Grants				
Grants receivable	<u>6,214</u>	<u>6,214</u>	<u>11,500</u>	<u>11,500</u>

5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Government funding	474,909	20,762	495,671
Fees	427,442	-	427,442
School lunches	<u>6,221</u>	<u>-</u>	<u>6,221</u>
	<u>908,572</u>	<u>20,762</u>	<u>929,334</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2023

5. Charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Government funding	383,464	9,017	392,481
Fees	422,232	–	422,232
School lunches	3,963	–	3,963
	<u>809,659</u>	<u>9,017</u>	<u>818,676</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Fundraising events	<u>1,749</u>	<u>1,749</u>	<u>1,167</u>	<u>1,167</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	<u>244</u>	<u>244</u>	<u>61</u>	<u>61</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Provision of pre-school and extended services	640,177	3,404	643,581
Support costs	252,092	145	252,237
	<u>892,269</u>	<u>3,549</u>	<u>895,818</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Provision of pre-school and extended services	568,008	9,017	577,025
Support costs	241,804	–	241,804
	<u>809,812</u>	<u>9,017</u>	<u>818,829</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2023

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Provision of pre-school and extended services	643,581	248,526	892,107	815,493
Governance costs	–	3,711	3,711	3,336
	<u>643,581</u>	<u>252,237</u>	<u>895,818</u>	<u>818,829</u>

10. Analysis of support costs

	Provision of pre-school and extended services £	Total 2023 £	Total 2022 £
Governance costs	3,713	3,713	3,336
Management costs	57,157	57,157	57,191
Information technology	34,767	34,767	26,637
Human resources	8,272	8,272	8,559
Depreciation	8,698	8,698	12,641
Rent	16,056	16,056	19,195
Support staff salaries	64,006	64,006	61,818
Other	59,569	59,569	52,427
	<u>252,238</u>	<u>252,238</u>	<u>241,804</u>

11. Net income

Net income is stated after charging/(crediting):	2023	2022
	£	£
Depreciation of tangible fixed assets	8,698	12,642
Operating lease rentals	<u>7,961</u>	<u>5,616</u>

12. Independent examination fees

	2023	2022
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>3,471</u>	<u>3,027</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2023

13. Staff costs

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

	2023	2022
	£	£
Wages and salaries	639,390	594,019
Social security costs	44,336	31,300
Employer contributions to pension plans	12,451	11,161
	<u>696,177</u>	<u>636,480</u>

The average head count of employees during the year was 26 (2022: 25).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

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 £50,100 (2022:£57,880).

14. Trustee remuneration and expenses

Julia Khan is both a trustee and is also employed as the director of the charity. She received remuneration of £51,413 (2022: £50,000) for her role as a director and the charity paid £1,313 (2022: £1,313) in pension contributions. This is permitted under the charity's constitution. No amounts were paid in respect of her role as a trustee.

No expenses were paid to any trustee during the year (2022: £nil).

15. Tangible fixed assets

	Short leasehold property improvements £	Fixtures and fittings £	Total £
Cost			
At 1 September 2022	–	117,079	117,079
Additions	<u>27,100</u>	<u>–</u>	<u>27,100</u>
At 31 August 2023	<u>27,100</u>	<u>117,079</u>	<u>144,179</u>
Depreciation			
At 1 September 2022	–	104,562	104,562
Charge for the year	<u>226</u>	<u>8,472</u>	<u>8,698</u>
At 31 August 2023	<u>226</u>	<u>113,034</u>	<u>113,260</u>
Carrying amount			
At 31 August 2023	<u>26,874</u>	<u>4,045</u>	<u>30,919</u>
At 31 August 2022	<u>–</u>	<u>12,517</u>	<u>12,517</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2023

16. Stocks

	2023	2022
	£	£
Uniforms	<u>2,294</u>	<u>2,047</u>

17. Debtors

	2023	2022
	£	£
Trade debtors	102,732	84,248
Prepayments and accrued income	<u>2,030</u>	<u>-</u>
	<u>104,762</u>	<u>84,248</u>

18. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	12,379	153
Accruals and deferred income	3,360	5,733
Social security and other taxes	22,239	12,840
Other creditors	<u>11,429</u>	<u>11,836</u>
	<u>49,407</u>	<u>30,562</u>

19. 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 £12,451 (2022: £11,161).

20. Analysis of charitable funds

Unrestricted funds

	At 1 September 2022	Income	Expenditure	At 31 August 2023
	£	£	£	£
General funds	<u>147,386</u>	<u>916,779</u>	<u>(892,269)</u>	<u>171,896</u>

	At 1 September 2021	Income	Expenditure	At 31 August 2022
	£	£	£	£
General funds	<u>134,811</u>	<u>822,387</u>	<u>(809,812)</u>	<u>147,386</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2023

20. Analysis of charitable funds (continued)

Restricted funds

	At 1 September 2022	Income	Expenditure	At 31 August 2023
	£	£	£	£
Special Education Needs Funding	–	3,404	(3,404)	–
Landscaping project	–	17,358	(145)	17,213
	–	<u>20,762</u>	<u>(3,549)</u>	<u>17,213</u>

	At 1 September 2021	Income	Expenditure	At 31 August 2022
	£	£	£	£
Special Education Needs Funding	–	9,017	(9,017)	–
Landscaping project	–	–	–	–
	–	<u>9,017</u>	<u>(9,017)</u>	<u>–</u>

During the year £3,404 (2022: £9,017) was received for Special Educational Needs provision. The income has been spent in full during the year on childcare staff costs.

During the year £17,358 was received from Central Bedfordshire Council towards the landscaping project. The resources expended represent the depreciation charge for the year.

21. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Tangible fixed assets	13,706	17,213	30,919
Current assets	207,597	–	207,597
Creditors less than 1 year	(49,407)	–	(49,407)
Net assets	<u>171,896</u>	<u>17,213</u>	<u>189,109</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Tangible fixed assets	12,517	–	12,517
Current assets	165,431	–	165,431
Creditors less than 1 year	(30,562)	–	(30,562)
Net assets	<u>147,386</u>	<u>–</u>	<u>147,386</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

22. Analysis of changes in net debt

	At 1 Sep 2022	Cash flows	At 31 Aug 2023
	£	£	£
Cash at bank and in hand	<u>79,136</u>	<u>21,405</u>	<u>100,541</u>

23. Operating lease commitments

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

	2023	2022
	£	£
Not later than 1 year	21,614	8,793
Later than 1 year and not later than 5 years	72,192	18,378
Later than 5 years	64,224	—
	<u>158,030</u>	<u>27,171</u>

24. Related parties

There were no related party transactions during the year other than those disclosed in notes 13 and 14.

RAINBOW PRE-SCHOOL & EXTENDED SERVICES

England & Wales - Charity number 1158113

Accounts

CHARITY REGISTRATION NUMBER: 1158113

Rainbow Pre-School & Extended Services
Unaudited Financial Statements
For the year ended
31 August 2022

Rainbow Pre-School & Extended Services

Financial Statements

Year ended 31 August 2022

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Statement of financial position	7
Statement of cash flows	8
Notes to the financial statements	9 to 16

Rainbow Pre-School & Extended Services

Trustees' Annual Report

Year ended 31 August 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2022.

Reference and administrative details

Registered charity name Rainbow Pre-School & Extended Services

Charity registration number 1158113

Principal office The Nursery Building
St Andrews Lower School
Brunts Lane
Biggleswade
Bedfordshire
SG18 0LY

The trustees Peter Teuma (Chair)
Debbie King (Treasurer)
Julia Khan
Helen Rae

Julia Khan is employed as the director of Rainbow Pre-School & Extended Services and is the person that any specific enquiries should be directed to, either at the above address or by direct email which is Juliakhan@rainbow-preschool.co.uk.

Independent examiner Shane Tharby FCA
For and on behalf of
Streets Chartered Accountants
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

Structure, governance and management

Structure

In October 2014 Rainbow Pre-School & Extended Services converted from an Unincorporated Charity to a Charitable Incorporated Organisation (CIO) and adopted the Charities Commission Model Constitution (Foundation).

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2022

Structure, governance and management *(continued)*

Governance and management

The aims for the future regarding Trustees is to always have a proportion of parents of children who attend our setting, but in addition we will recruit externally for members who have specific skills that are required to broaden the overall knowledge and skill set required for a committee of Trustees.

Julia Khan is the Director of Rainbow Pre-School & Extended Services as a paid member of staff, with overall responsibility for the daily operations across both sites. Direct reportees are:

- The Head of Rainbow Pre-School & Extended Services
- The Administration team (2 members of staff)

Hannah Adams the Head of Teaching and Child Development is a qualified Primary School Teacher and is responsible for the learning and development of all of the children in our care. Hannah line manages the Pre-School Managers from both east and west sites. The Pre-School Managers have overall responsibility for both pre-school and extended services sessions, the staffing structure therefore includes 2 deputy manager roles at both east and west, to cover breakfast and after school clubs. The Deputies report to the Managers. In addition, there is a Head of SEND who works across both sites and is responsible for children who have additional needs.

Recruitment and appointment of new trustees

Apart from the first charity trustees, every newly appointed trustee must be appointed for a term of two years by a resolution passed at a properly convened meeting of the charity trustees. New trustees may be recruited if an existing trustee stands down or if the committee feel that there is a need for a broader set of skills.

The recruitment exercise will consist of appropriate advertising including communication regarding any vacancies to all parents. Equal opportunity interviews will be carried out and the selection will take into account relevant experience and skills.

Trustees are not remunerated or receive any benefits for carrying out trustee duties.

Risk management

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

Regulators

Rainbow Pre-School & Extended Services are registered with Ofsted; registration numbers are EY482746 and EY493048.

Policies

All policies in place are reviewed annually by the Pre-School Director and the Head of Rainbow Pre-School & Extended Services. In particular, the following policies:

- Risk Management
- Safeguarding Vulnerable Beneficiaries
- Conflicts of Interest
- Volunteer Management
- Complaints Handling

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2022

Objectives and activities

Rainbow Pre-School & Extended Services works for the public benefit having as its objectives the development and education of children and young people, in particular by operating as a Pre-School that nurtures amazing young minds through affordable and flexible early years education. Focusing specifically on:

- Promoting care and safety
- Promoting education and promoting parental involvement
- Promoting health and well being
- Helping the children to become school ready before they make their transition to reception, providing them with the best start to full time education
- Being flexible and offering child care that is affordable to families, as a not for profit organisation.

Rainbow Pre-School & Extended Services operates in the town of Biggleswade, Bedfordshire, across 2 sites. The Head office is based at the West Site, Brunts Lane, Biggleswade and the 2nd site is Bantock Way, Biggleswade, both sites are within the grounds of St Andrews Lower School East and West. Rainbow is a Pre-School during term time (for children aged between 2 and 5 yrs old) and in addition offers a Breakfast Club, After School Club and School Holiday Club provision (children aged 2 to 9 yrs old). Both settings are open from 7.30am to 6pm for 50 weeks of the year.

Rainbow is a pre-school that nurtures amazing young minds through affordable and flexible early years education.

Achievements and performance

Charitable activities

We are happy to report this year that our main objectives have all been met.

Ofsted Inspection

Our west site is Ofsted rated OUTSTANDING and our east site is Ofsted rated GOOD.

Financial review

Financial

Rainbow Pre-School & Extended Services receives funding for children who are eligible to receive Government funding which is up to 30 hours per week for 3 and 4 year olds. Eligible families may also claim for funding for 2 year olds. In addition, fees are charged for sessions not eligible to be funded.

There have been no internal fund raising events held throughout this year, but a small amount of funding was raised by arranging letters from Santa and school photographs.

Reserves Policy

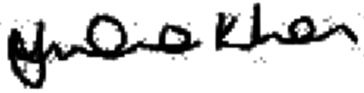
We aim to hold in reserve unrestricted funds that equal payment in lieu of notice periods for all staff and any other liabilities, which we estimate to be approximately £120,000. At the end of this financial period, we held £147,386 in reserves held. It is anticipated that it will be possible to maintain the reserves we are aiming for in the next financial year.

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2022

The trustees' annual report was approved on 13 July 2023 and signed on behalf of the board of trustees by:



Julia Khan
Trustee

Rainbow Pre-School & Extended Services

Independent Examiner's Report to the Trustees of Rainbow Pre-School & Extended Services

Year ended 31 August 2022

I report to the trustees on my examination of the financial statements of Rainbow Pre-School & Extended Services ('the charity') for the year ended 31 August 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Shane Tharby FCA
Independent Examiner

For and on behalf of
Streets Chartered Accountants
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

18 July 2023

Rainbow Pre-School & Extended Services

Statement of Financial Activities

Year ended 31 August 2022

		2022	2021		
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	11,500	–	11,500	22,925
Charitable activities	5	809,659	9,017	818,676	649,909
Other trading activities	6	1,167	–	1,167	396
Investment income	7	61	–	61	178
Total income		<u>822,387</u>	<u>9,017</u>	<u>831,404</u>	<u>673,408</u>
Expenditure					
Expenditure on charitable activities	8,9	809,812	9,017	818,829	755,383
Total expenditure		<u>809,812</u>	<u>9,017</u>	<u>818,829</u>	<u>755,383</u>
Net income/(expenditure) and net movement in funds					
		<u>12,575</u>	<u>–</u>	<u>12,575</u>	<u>(81,975)</u>
Reconciliation of funds					
Total funds brought forward		134,811	–	134,811	216,786
Total funds carried forward		<u>147,386</u>	<u>–</u>	<u>147,386</u>	<u>134,811</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 9 to 16 form part of these financial statements.

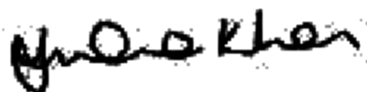
Rainbow Pre-School & Extended Services

Statement of Financial Position

31 August 2022

	Note	2022 £	£	2021 £	£
Fixed assets					
Tangible fixed assets	15		12,517		15,162
Current assets					
Stocks	16	2,047		2,552	
Debtors	17	84,248		31,152	
Cash at bank and in hand		79,136		114,725	
		<u>165,431</u>		<u>148,429</u>	
Creditors: amounts falling due within one year	18	<u>30,562</u>		<u>28,780</u>	
Net current assets			<u>134,869</u>		<u>119,649</u>
Total assets less current liabilities			<u>147,386</u>		<u>134,811</u>
Net assets			<u>147,386</u>		<u>134,811</u>
Funds of the charity					
Unrestricted funds			147,386		134,811
Total charity funds	20		<u>147,386</u>		<u>134,811</u>

These financial statements were approved by the board of trustees and authorised for issue on 13 July 2023, and are signed on behalf of the board by:



Julia Khan
Trustee

The notes on pages 9 to 16 form part of these financial statements.

Rainbow Pre-School & Extended Services

Statement of Cash Flows

Year ended 31 August 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net income/(expenditure)	12,575	(81,975)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	12,642	21,457
Other interest receivable and similar income	(61)	(178)
Interest payable and similar charges	309	368
<i>Changes in:</i>		
Stocks	505	637
Trade and other debtors	(53,096)	71,275
Trade and other creditors	1,782	(6,324)
Cash generated from operations	(25,344)	5,260
Interest paid	(309)	(368)
Interest received	61	178
Net cash (used in)/from operating activities	<u>(25,592)</u>	<u>5,070</u>
Cash flows from investing activities		
Purchase of tangible assets	<u>(9,997)</u>	<u>(7,117)</u>
Net cash used in investing activities	<u>(9,997)</u>	<u>(7,117)</u>
Net decrease in cash and cash equivalents	(35,589)	(2,047)
Cash and cash equivalents at beginning of year	<u>114,725</u>	<u>116,772</u>
Cash and cash equivalents at end of year	<u>79,136</u>	<u>114,725</u>

The notes on pages 9 to 16 form part of these financial statements.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements

Year ended 31 August 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Nursery Building, St Andrews Lower School, Brunts Lane, Biggleswade, Bedfordshire, SG18 0LY.

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 Charities Act 2011.

3. Accounting policies

Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

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

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.

Significant judgements

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Tangible fixed assets are recognised at cost, less accumulated depreciation. Depreciation is charged over the estimated life of the asset to its estimated residual value.

The recoverability of trade debtors are considered on a regular basis. When calculating the debtor provision, the trustees consider the age of the debts and the financial position of its customer.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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 classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation. Assets costing over £1,000 and having an expected life of over 12 months are capitalised.

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:

Fixtures and fittings - 33% straight line

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2022

3. Accounting policies (continued)

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Defined contribution plans

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

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 charity will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the charity recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the charity with no future related costs are recognised in income in the period in which it becomes receivable.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Grants				
Grants receivable	11,500	11,500	22,925	22,925

5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Government funding	383,464	9,017	392,481
Fees	422,232	–	422,232
School lunches	3,963	–	3,963
	<u>809,659</u>	<u>9,017</u>	<u>818,676</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Government funding	407,918	29,184	437,102
Fees	209,141	–	209,141
School lunches	3,666	–	3,666
	<u>620,725</u>	<u>29,184</u>	<u>649,909</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2022

6. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fundraising events	1,167	1,167	396	396

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	61	61	178	178

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Provision of pre-school and extended services	568,008	9,017	577,025
Support costs	241,804	–	241,804
	<u>809,812</u>	<u>9,017</u>	<u>818,829</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Provision of pre-school and extended services	524,066	29,184	553,250
Support costs	202,133	–	202,133
	<u>726,199</u>	<u>29,184</u>	<u>755,383</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Provision of pre-school and extended services	577,025	238,468	815,493	752,309
Governance costs	–	3,336	3,336	3,074
	<u>577,025</u>	<u>241,804</u>	<u>818,829</u>	<u>755,383</u>

Included within the activities undertaken directly for the provision of pre-school and extended services is a bad debt provision amounting to £ Nil (2021: £33,884).

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

10. Analysis of support costs

	Provision of pre-school and extended services £	Total 2022 £	Total 2021 £
Governance costs	3,336	3,336	3,074
Management costs	57,191	57,191	55,614
Information technology	26,637	26,637	27,942
Human resources	8,559	8,559	8,114
Depreciation	12,641	12,641	21,457
Rent	19,195	19,195	17,552
Support staff salaries	61,818	61,818	39,311
Other	52,427	52,427	29,069
	<u>241,804</u>	<u>241,804</u>	<u>202,133</u>

11. Net income/(expenditure)

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

	2022 £	2021 £
Depreciation of tangible fixed assets	12,642	21,457
Operating lease rentals	<u>5,616</u>	<u>4,552</u>

12. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>3,027</u>	<u>2,706</u>

13. Staff costs

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

	2022 £	2021 £
Wages and salaries	594,019	515,374
Social security costs	31,300	30,605
Employer contributions to pension plans	11,161	9,619
	<u>636,480</u>	<u>555,598</u>

The average head count of employees during the year was 25 (2021: 22).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

13. Staff costs *(continued)*

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 £57,880 (2021:£85,985).

14. Trustee remuneration and expenses

Julia Khan is both a trustee and is also employed as the director of the charity. She received remuneration of £50,000 (2021: £48,820) for her role as a director and the charity paid £1,313 (2021: £1,274) in pension contributions. This is permitted under the charity's constitution. No amounts were paid in respect of her role as a trustee.

No expenses were paid to any trustee during the year (2021: £nil).

15. Tangible fixed assets

	Fixtures and fittings
	£
Cost	
At 1 September 2021	107,082
Additions	9,997
At 31 August 2022	<u>117,079</u>
Depreciation	
At 1 September 2021	91,920
Charge for the year	12,642
At 31 August 2022	<u>104,562</u>
Carrying amount	
At 31 August 2022	<u>12,517</u>
At 31 August 2021	<u>15,162</u>

16. Stocks

	2022	2021
	£	£
Uniforms	<u>2,047</u>	<u>2,552</u>

17. Debtors

	2022	2021
	£	£
Trade debtors	84,248	26,152
Other debtors	–	5,000
	<u>84,248</u>	<u>31,152</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2022

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	153	262
Accruals and deferred income	5,733	2,706
Social security and other taxes	12,840	19,716
Other creditors	11,836	6,096
	<u>30,562</u>	<u>28,780</u>

19. 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 £11,161 (2021: £9,619).

20. Analysis of charitable funds

Unrestricted funds

	At 1 September 2021	Income £	Expenditure £	At 31 August 2022 £
General funds	<u>134,811</u>	<u>822,387</u>	<u>(809,812)</u>	<u>147,386</u>

	At 1 September 2020	Income £	Expenditure £	At 31 August 2021 £
General funds	<u>216,786</u>	<u>644,224</u>	<u>(726,199)</u>	<u>134,811</u>

Restricted funds

	At 1 September 2021	Income £	Expenditure £	At 31 August 2022 £
Special Education Needs Funding	<u>–</u>	<u>9,017</u>	<u>(9,017)</u>	<u>–</u>

	At 1 September 2020	Income £	Expenditure £	At 31 August 2021 £
Special Education Needs Funding	<u>–</u>	<u>29,184</u>	<u>(29,184)</u>	<u>–</u>

During the year £9,017 (2021: £29,184) was received for Special Educational Needs provision. The income has been spent in full during the year on childcare staff costs.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

21. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	12,517	12,517
Current assets	165,431	165,431
Creditors less than 1 year	(30,562)	(30,562)
Net assets	<u>147,386</u>	<u>147,386</u>

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	15,162	15,162
Current assets	148,429	148,429
Creditors less than 1 year	(28,780)	(28,780)
Net assets	<u>134,811</u>	<u>134,811</u>

22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	<u>114,725</u>	<u>(35,589)</u>	<u>79,136</u>

23. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2022 £	2021 £
Tangible fixed assets	<u>–</u>	<u>7,856</u>

24. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	8,793	1,634
Later than 1 year and not later than 5 years	18,378	124
	<u>27,171</u>	<u>1,758</u>

25. Related parties

There were no related party transactions during the year other than those disclosed in notes 13 and 14.

RAINBOW PRE-SCHOOL & EXTENDED SERVICES

England & Wales - Charity number 1158113

Accounts

CHARITY REGISTRATION NUMBER: 1158113

Rainbow Pre-School & Extended Services
Unaudited Financial Statements
For the year ended
31 August 2021

Rainbow Pre-School & Extended Services

Financial Statements

Year ended 31 August 2021

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Statement of financial position	7
Statement of cash flows	8
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Rainbow Pre-School & Extended Services

Trustees' Annual Report

Year ended 31 August 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2021.

Reference and administrative details

Registered charity name Rainbow Pre-School & Extended Services

Charity registration number 1158113

Principal office The Nursery Building
St Andrews Lower School
Brunts Lane
Biggleswade
Bedfordshire
SG18 0LY

The trustees Peter Teuma (Chair)
Debbie King (Treasurer)
Julia Khan (Secretary)
Helen Rae
Joanne Norman (Resigned 1 September 2020)

Julia Khan is employed as the director of Rainbow Pre-School & Extended Services and is the person that any specific enquiries should be directed to, either at the above address or by direct email which is Juliakhan@rainbow-preschool.co.uk.

Independent examiner Shane Tharby FCA
For and on behalf of
Streets Chartered Accountants
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

Structure, governance and management

Structure

In October 2014 Rainbow Pre-School & Extended Services converted from an Unincorporated Charity to a Charitable Incorporated Organisation (CIO) and adopted the Charities Commission Model Constitution (Foundation).

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Structure, governance and management *(continued)*

Governance and management

The aims for the future regarding Trustees is to always have a proportion of parents of children who attend our setting, but in addition we will recruit externally for members who have specific skills that are required to broaden the overall knowledge and skill set required for a committee of Trustees.

Julia Khan is the Director of Rainbow Pre-School & Extended Services as a paid member of staff, with overall responsibility for the daily operations across both sites. Direct reportees are:

- The Head of Rainbow Pre-School & Extended Services
- The Administration team (2 members of staff)

Hannah Adams the Head of Teaching and Child Development is a qualified Primary School Teacher and is responsible for the learning and development of all of the children in our care. Hannah line manages the Pre-School Managers from both east and west sites. The Pre-School Managers have overall responsibility for both pre-school and extended services sessions, the staffing structure therefore includes 2 deputy manager roles at both east and west, to cover breakfast and after school clubs. The Deputies report to the Managers. In addition, there is a Head of SEND who works across both sites and is responsible for children who have additional needs.

Recruitment and appointment of new trustees

Apart from the first charity trustees, every newly appointed trustee must be appointed for a term of two years by a resolution passed at a properly convened meeting of the charity trustees. New trustees may be recruited if an existing trustee stands down or if the committee feel that there is a need for a broader set of skills.

The recruitment exercise will consist of appropriate advertising including communication regarding any vacancies to all parents. Equal opportunity interviews will be carried out and the selection will take into account relevant experience and skills.

A recruitment exercise will commence in January 2023, to find a replacement for Jo Norman. An advert will be sent to all parents of children who attend either our Pre-School or Wrap around Care services.

Trustees are not remunerated or receive any benefits for carrying out trustee duties.

Risk management

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

Regulators

Rainbow Pre-School & Extended Services are registered with Ofsted; registration numbers are EY482746 and EY493048.

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Structure, governance and management *(continued)*

Policies

All policies in place are reviewed annually by the Pre-School Director and the Head of Rainbow Pre-School & Extended Services. In particular, the following policies:

- Risk Management
- Safeguarding Vulnerable Beneficiaries
- Conflicts of Interest
- Volunteer Management
- Complaints Handling

Objectives and activities

Rainbow Pre-School & Extended Services works for the public benefit having as its objectives the development and education of children and young people, in particular by operating as a Pre-School that nurtures amazing young minds through affordable and flexible early years education. Focusing specifically on:

- Promoting care and safety
- Promoting education and promoting parental involvement
- Promoting health and well being
- Helping the children to become school ready before they make their transition to reception, providing them with the best start to full time education
- Being flexible and offering child care that is affordable to families, as a not for profit organisation.

Rainbow Pre-School & Extended Services operates in the town of Biggleswade, Bedfordshire, across 2 sites. The Head office is based at the West Site, Brunts Lane, Biggleswade and the 2nd site is Bantock Way, Biggleswade, both sites are within the grounds of St Andrews Lower School East and West. Rainbow is a Pre-School during term time (for children aged between 2 and 5 yrs old) and in addition offers a Breakfast Club, After School Club and School Holiday Club provision (children aged 2 to 9 yrs old). Both settings are open from 7.30am to 6pm for 50 weeks of the year.

Rainbow is a pre-school that nurtures amazing young minds through affordable and flexible early years education.

Achievements and performance

Charitable activities

We are happy to report this year that our main objectives have all been met. Trustees have had regard to guidance on public benefit when planning the additional charity's activities.

In addition, we submitted a bid to Central Bedfordshire Council, to be chosen as one of six early years settings in Central Bedfordshire, to introduce the Positive Early Childhood Education Programme, powered by triple P. We were successful with our bid, and all of our staff have had training to assist children with their behaviour, it is a shared and consistent approach and now they all use multiple strategies in their Daily Practice.

Ofsted Inspection

Both the east and west sites remain Ofsted rated GOOD in all areas.

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Financial review

Financial

Rainbow Pre-School & Extended Services receives funding for children who are eligible to receive Government funding which is up to 30 hours per week for 3 and 4 year olds. Eligible families may also claim for funding for 2 year olds. In addition, fees are charged for sessions not eligible to be funded.

There have been no internal fund raising events held throughout this year, but a small amount of funding was raised by arranging letters from Santa.

Reserves Policy

We aim to hold in reserve unrestricted funds that equal payment in lieu of notice periods for all staff and any other liabilities, which we estimate to be approximately £120,000. At the end of this financial period, we held £134,811 in reserves held. It is anticipated that it will be possible to maintain the level of reserves we are aiming for in the next financial year.

The trustees' annual report was approved on ~~26 September 2022~~ and signed on behalf of the board of trustees by:



Julia Khan (Secretary)
Trustee

Rainbow Pre-School & Extended Services

Independent Examiner's Report to the Trustees of Rainbow Pre-School & Extended Services

Year ended 31 August 2021

I report to the trustees on my examination of the financial statements of Rainbow Pre-School & Extended Services ('the charity') for the year ended 31 August 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

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

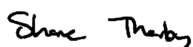
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Shane Tharby FCA
Independent Examiner

For and on behalf of
Streets Chartered Accountants
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

26 September 2022

Rainbow Pre-School & Extended Services

Statement of Financial Activities

Year ended 31 August 2021

		2021		2020
		Unrestricted	Restricted	
	Note	funds	funds	Total funds
		£	£	£
Income and endowments				
Donations and legacies	4	22,925	–	22,925
Charitable activities	5	620,725	29,184	649,909
Other trading activities	6	396	–	396
Investment income	7	178	–	178
Total income		<u>644,224</u>	<u>29,184</u>	<u>673,408</u>
Expenditure				
Expenditure on charitable activities	8,9	726,199	29,184	755,383
Total expenditure		<u>726,199</u>	<u>29,184</u>	<u>689,562</u>
Net (expenditure)/income and net movement in funds		<u>(81,975)</u>	<u>–</u>	<u>(81,975)</u>
				<u>41,337</u>
Reconciliation of funds				
Total funds brought forward		216,786	–	216,786
Total funds carried forward		<u>134,811</u>	<u>–</u>	<u>134,811</u>
				<u>216,786</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 9 to 17 form part of these financial statements.

Rainbow Pre-School & Extended Services

Statement of Financial Position

31 August 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible fixed assets	15		15,162		29,502
Current assets					
Stocks	16	2,552		3,189	
Debtors	17	31,152		102,427	
Cash at bank and in hand		114,725		116,772	
		<u>148,429</u>		<u>222,388</u>	
Creditors: amounts falling due within one year	18	<u>28,780</u>		<u>35,104</u>	
Net current assets			<u>119,649</u>		<u>187,284</u>
Total assets less current liabilities			<u>134,811</u>		<u>216,786</u>
Net assets			<u>134,811</u>		<u>216,786</u>
Funds of the charity					
Unrestricted funds			134,811		216,786
Total charity funds	20		<u>134,811</u>		<u>216,786</u>

These financial statements were approved by the board of trustees and authorised for issue on 26 September 2022, and are signed on behalf of the board by:



Julia Khan (Secretary)
Trustee

The notes on pages 9 to 17 form part of these financial statements.

Rainbow Pre-School & Extended Services

Statement of Cash Flows

Year ended 31 August 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net (expenditure)/income	(81,975)	41,337
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	21,457	22,106
Other interest receivable and similar income	(178)	(167)
Interest payable and similar charges	368	550
<i>Changes in:</i>		
Stocks	637	(1,524)
Trade and other debtors	71,275	1,757
Trade and other creditors	(6,324)	3,862
Cash generated from operations	<u>5,260</u>	<u>67,921</u>
Interest paid	(368)	(550)
Interest received	<u>178</u>	<u>167</u>
Net cash from operating activities	<u><u>5,070</u></u>	<u><u>67,538</u></u>
Cash flows from investing activities		
Purchase of tangible assets	<u>(7,117)</u>	<u>(18,634)</u>
Net cash used in investing activities	<u><u>(7,117)</u></u>	<u><u>(18,634)</u></u>
Net (decrease)/increase in cash and cash equivalents	<u>(2,047)</u>	48,904
Cash and cash equivalents at beginning of year	<u>116,772</u>	<u>67,868</u>
Cash and cash equivalents at end of year	<u><u>114,725</u></u>	<u><u>116,772</u></u>

The notes on pages 9 to 17 form part of these financial statements.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements

Year ended 31 August 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Nursery Building, St Andrews Lower School, Brunts Lane, Biggleswade, Bedfordshire, SG18 0LY.

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 Charities Act 2011.

3. Accounting policies

Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

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

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.

Significant judgements

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Tangible fixed assets are recognised at cost, less accumulated depreciation. Depreciation is charged over the estimated life of the asset to its estimated residual value.

The recoverability of trade debtors are considered on a regular basis. When calculating the debtor provision, the trustees consider the age of the debts and the financial position of its customer.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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 classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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:

Fixtures and fittings - 33% straight line

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2021

3. Accounting policies (continued)

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Defined contribution plans

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

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 charity will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the charity recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the charity with no future related costs are recognised in income in the period in which it becomes receivable.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Grants				
Grants receivable	22,925	22,925	–	–
Other donations and legacies				
Donations	–	–	236	236
	<u>22,925</u>	<u>22,925</u>	<u>236</u>	<u>236</u>

5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Uniform sales	–	–	–
Coronavirus job retention scheme	–	–	–
Government funding	407,918	29,184	437,102
Fees	209,141	–	209,141
School lunches	3,666	–	3,666
	<u>620,725</u>	<u>29,184</u>	<u>649,909</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

5. Charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Uniform sales	240	–	240
Coronavirus job retention scheme	15,358	–	15,358
Government funding	421,530	9,429	430,959
Fees	279,559	–	279,559
School lunches	3,829	–	3,829
	<u>720,516</u>	<u>9,429</u>	<u>729,945</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Fundraising events	<u>396</u>	<u>396</u>	<u>551</u>	<u>551</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>178</u>	<u>178</u>	<u>167</u>	<u>167</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Provision of pre-school and extended services	524,066	29,184	553,250
Support costs	202,133	–	202,133
	<u>726,199</u>	<u>29,184</u>	<u>755,383</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Provision of pre-school and extended services	513,562	9,429	522,991
Support costs	166,571	–	166,571
	<u>680,133</u>	<u>9,429</u>	<u>689,562</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2021

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Provision of pre-school and extended services	553,250	199,059	752,309	686,552
Governance costs	–	3,074	3,074	3,010
	<u>553,250</u>	<u>202,133</u>	<u>755,383</u>	<u>689,562</u>

Included within the activities undertaken directly for the provision of pre-school and extended services is a bad debt provision amounting to £33,884 (2020: £18,075).

10. Analysis of support costs

	Provision of pre-school and extended services £	Total 2021 £	Total 2020 £
Governance costs	2,826	2,826	3,010
Management costs	55,614	55,614	57,127
Information technology	27,942	27,942	24,339
Human resources	8,114	8,114	12,133
Depreciation	21,457	21,457	22,106
Rent	17,552	17,552	11,760
Support staff salaries	39,311	39,311	2,833
Other	28,287	28,287	33,263
	<u>201,103</u>	<u>201,103</u>	<u>166,571</u>

11. Net (expenditure)/income

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

	2021 £	2020 £
Depreciation of tangible fixed assets	21,457	22,106
Operating lease rentals	<u>4,552</u>	<u>5,182</u>

12. Independent examination fees

	2021 £	2020 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,706</u>	<u>2,460</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2021

13. Staff costs

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

	2021	2020
	£	£
Wages and salaries	515,374	488,351
Social security costs	30,605	34,574
Employer contributions to pension plans	9,619	19,493
	<u>555,598</u>	<u>542,418</u>

The average head count of employees during the year was 22 (2020: 26).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

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 £85,985 (2020: £86,590).

14. Trustee remuneration and expenses

Julia Khan is both a trustee and is also employed as the director of the charity. She received remuneration of £48,820 (2020: £50,100) for her role as a director and the charity paid £1,274 (2020: £1,314) in pension contributions. This is permitted under the charity's constitution. No amounts were paid in respect of her role as a trustee.

No expenses were paid to any trustee during the year (2020: £nil).

15. Tangible fixed assets

	Fixtures and fittings
	£
Cost	
At 1 September 2020	99,965
Additions	7,117
At 31 August 2021	<u>107,082</u>
Depreciation	
At 1 September 2020	70,463
Charge for the year	21,457
At 31 August 2021	<u>91,920</u>
Carrying amount	
At 31 August 2021	<u>15,162</u>
At 31 August 2020	<u>29,502</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2021

16. Stocks

	2021	2020
	£	£
Uniforms	2,552	3,189

17. Debtors

	2021	2020
	£	£
Trade debtors	26,152	102,427
Other debtors	5,000	–
	<u>31,152</u>	<u>102,427</u>

18. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	262	459
Accruals and deferred income	2,706	4,860
Social security and other taxes	19,716	15,491
Other creditors	6,096	14,294
	<u>28,780</u>	<u>35,104</u>

19. 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 £9,619 (2020: £19,493).

20. Analysis of charitable funds

Unrestricted funds

	At 1 September 2020	Income	Expenditure	At 31 August 2021
	£	£	£	£
General funds	<u>216,786</u>	<u>644,224</u>	<u>(726,199)</u>	<u>134,811</u>

	At 1 September 2019	Income	Expenditure	At 31 August 2020
	£	£	£	£
General funds	<u>175,449</u>	<u>721,470</u>	<u>(680,133)</u>	<u>216,786</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2021

20. Analysis of charitable funds (continued)

Restricted funds

	At 1 September 2020	Income	Expenditure	At 31 August 2021
	£	£	£	£
Special Education Needs Funding	–	29,184	(29,184)	–
	<u>–</u>	<u>29,184</u>	<u>(29,184)</u>	<u>–</u>
	At 1 September 2019	Income	Expenditure	At 31 August 2020
	£	£	£	£
Special Education Needs Funding	–	9,429	(9,429)	–
	<u>–</u>	<u>9,429</u>	<u>(9,429)</u>	<u>–</u>

During the year £29,184 (2020: £9,429) was received for Special Educational Needs provision. The income has been spent in full during the year on childcare staff costs.

21. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2021
	£	£
Tangible fixed assets	15,162	15,162
Current assets	148,429	148,429
Creditors less than 1 year	(28,780)	(28,780)
Net assets	<u>134,811</u>	<u>134,811</u>
	Unrestricted Funds	Total Funds 2020
	£	£
Tangible fixed assets	29,502	29,502
Current assets	222,388	222,388
Creditors less than 1 year	(35,104)	(35,104)
Net assets	<u>216,786</u>	<u>216,786</u>

22. Analysis of changes in net debt

	At 1 Sep 2020	Cash flows	At 31 Aug 2021
	£	£	£
Cash at bank and in hand	116,772	(2,047)	114,725
	<u>116,772</u>	<u>(2,047)</u>	<u>114,725</u>

23. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2021	2020
	£	£
Tangible fixed assets	7,856	–
	<u>7,856</u>	<u>–</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

24. Operating lease commitments

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

	2021	2020
	£	£
Not later than 1 year	1,634	3,297
Later than 1 year and not later than 5 years	124	1,758
	<u>1,758</u>	<u>5,055</u>

25. Related parties

There were no related party transactions during the year other than those disclosed in notes 13 and 14.

RAINBOW PRE-SCHOOL & EXTENDED SERVICES

England & Wales - Charity number 1158113

Accounts

CHARITY REGISTRATION NUMBER: 1158113

Rainbow Pre-School & Extended Services

Unaudited Financial Statements

For the year ended

31 August 2020

Rainbow Pre-School & Extended Services

Financial Statements

Year ended 31 August 2020

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Rainbow Pre-School & Extended Services

Trustees' Annual Report

Year ended 31 August 2020

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2020.

Reference and administrative details

Registered charity name Rainbow Pre-School & Extended Services

Charity registration number 1158113

Principal office The Nursery Building
St Andrews Lower School
Brunts Lane
Biggleswade
Bedfordshire
SG18 0LY

The trustees Peter Teuma (Chair)
Debbie King (Treasurer)
Julia Khan (Director)
Helen Rae
Joanne Norman

Julia Khan is employed as the director of Rainbow Pre-School & Extended Services and is the person that any specific enquiries should be directed to, either at the above address or by direct email which is Juliakhan@rainbow-preschool.co.uk.

Independent examiner Shane Tharby FCA
For and on behalf of
Streets Chartered Accountants
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

Structure, governance and management

Structure

In October 2014 Rainbow Pre-School & Extended Services converted from an Unincorporated Charity to a Charitable Incorporated Organisation (CIO) and adopted the Charities Commission Model Constitution (Foundation).

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2020

Structure, governance and management *(continued)*

Governance and management

One of our Trustees is a parent of a child who attends our After School Club. The aims for the future regarding Trustees is to always have a proportion of parents of children who attend our setting, but in addition we will recruit externally for members who have specific skills that are required to broaden the overall knowledge and skill set required for a committee of Trustees.

Julia Khan is the Director of Rainbow Pre-School & Extended Services as a paid member of staff, with overall responsibility for the daily operations across both sites. Direct reportees are:

- The Head of Rainbow Pre-School & Extended Services
- The Administration team (2 members of staff)

Victoria Sharp, the Head of Rainbow Pre-School, is a qualified Early Years Teacher and is responsible for the learning and development of all of the children in our care. Victoria line manages the Pre-School Managers from both east and west sites. The Pre-School Managers have overall responsibility for both pre-school and extended services sessions. The staffing structure includes 2 deputy manager roles at both east and west, to cover breakfast and after school clubs. The Deputies report to the Managers. We employ a Head of SEN who works across both sites and is responsible for children with additional needs.

Recruitment and appointment of new trustees

Apart from the first charity trustees, every newly appointed trustee must be appointed for a term of two years by a resolution passed at a properly convened meeting of the charity trustees. New trustees may be recruited if an existing trustee stands down or if the committee feel that there is a need for a broader set of skills.

The recruitment exercise will consist of appropriate advertising including communication regarding any vacancies to all parents. Equal opportunity interviews will be carried out and the selection will take into account relevant experience and skills.

Trustees are not remunerated nor receive any benefits for carrying out trustee duties.

Risk management

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

Regulators

Rainbow Pre-School & Extended Services are registered with Ofsted; registration numbers are EY482746 and EY493048.

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2020

Structure, governance and management *(continued)*

Policies

All policies in place are reviewed annually by the Pre-School Director and the Head of Rainbow Pre-School & Extended Services. In particular, the following policies:

- Risk Management
- Safeguarding Vulnerable Beneficiaries
- Conflicts of Interest
- Volunteer Management
- Complaints Handling

Objectives and activities

Rainbow Pre-School & Extended Services works for the public benefit having as its objectives the development and education of children and young people, in particular by operating as a Pre-School that nurtures amazing young minds through affordable and flexible early years education. Focusing specifically on:

- Promoting care and safety
- Promoting education and promoting parental involvement
- Promoting health and well being
- Helping the children to become school ready before they make their transition to reception, providing them with the best start to full time education
- Being flexible and offering child care that is affordable to families, as a not for profit organisation.

Rainbow Pre-School & Extended Services operates in the town of Biggleswade, Bedfordshire, across 2 sites. The Head office is based at the West Site, Brunts Lane, Biggleswade and the 2nd site is Bantock Way, Biggleswade, both sites are within the grounds of St Andrews Lower School East and West. Rainbow is a Pre-School during term time (for children aged between 2 and 5 yrs old) and in addition offers a Breakfast Club, After School Club and School Holiday Club provision (children aged 2 to 9 yrs old). Both settings are open from 7.30am to 6pm for 50 weeks of the year.

Rainbow is a pre-school that nurtures amazing young minds through affordable and flexible early years education.

Achievements and performance

Charitable activities

We are happy to report this year that our main objectives have all been met. Trustees have had regard to guidance on public benefit when planning the additional charity's activities.

Ofsted Inspection

Both the east and west sites remain Ofsted rated GOOD in all areas.

Rainbow Pre-School & Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2020

Financial review

Financial

Rainbow Pre-School & Extended Services receives funding for children who are eligible to receive Government funding which is up to 30 hours per week for 3 and 4 year olds. Eligible families may also claim for funding for 2 year olds. In addition, fees are charged for sessions not eligible to be funded.

Our annual accounts have been independently examined by Streets Chartered Accountants and have been submitted to the Charities Commission.

There have been no internal fund raising events held throughout this year, but a small amount of funding was raised by arranging letters from Santa.

Reserves Policy

We aim to hold in reserve unrestricted funds that equal payment in lieu of notice periods for all staff and any other liabilities, which we estimate to be approximately £100,000, which we have achieved this year. It has been a challenging year financially, as a result of the first Covid 19 lockdown in March 2020. Rainbow did remain open but were only allowed to have front line workers children attending. Although we still received our normal monthly amount of funding from Central Bedfordshire Council, we did not receive private fees for wrap around care, because we were unable to provide this service to the majority of children that would normally attend. We considered all of the skills required to maintain a level of service at Rainbow Pre-School & Extended Services, a core group of staff remained employed with the rest of the staff being furloughed. Although our cash balances are £116,772 at the end of this financial year, there is likely to be a reduction in this figure next financial year, as we will need to use some of the reserves accrued to carry out normal operations, until the number of children attending increase again. The time frame for this will depend on Covid 19 restrictions.

The trustees' annual report was approved on^{29/6/2021}..... and signed on behalf of the board of trustees by:



Julia Khan (Director)
Trustee

Rainbow Pre-School & Extended Services

Independent Examiner's Report to the Trustees of Rainbow Pre-School & Extended Services

Year ended 31 August 2020

I report to the trustees on my examination of the financial statements of Rainbow Pre-School & Extended Services ('the charity') for the year ended 31 August 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Shane Tharby

Shane Tharby FCA
Independent Examiner

For and on behalf of
Streets Chartered Accountants
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

30/6/2021

Rainbow Pre-School & Extended Services

Statement of Financial Activities

Year ended 31 August 2020

		2020		2019	
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	236	–	236	–
Charitable activities	5	720,516	9,429	729,945	748,814
Other trading activities	6	551	–	551	612
Investment income	7	167	–	167	129
Total income		<u>721,470</u>	<u>9,429</u>	<u>730,899</u>	<u>749,555</u>
Expenditure					
Expenditure on charitable activities	8,9	680,133	9,429	689,562	769,519
Total expenditure		<u>680,133</u>	<u>9,429</u>	<u>689,562</u>	<u>769,519</u>
Net income/(expenditure) and net movement in funds					
		<u>41,337</u>	–	<u>41,337</u>	<u>(19,964)</u>
Reconciliation of funds					
Total funds brought forward		175,449	–	175,449	195,413
Total funds carried forward		<u>216,786</u>	–	<u>216,786</u>	<u>175,449</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 9 to 17 form part of these financial statements.

Rainbow Pre-School & Extended Services

Statement of Financial Position

31 August 2020

	Note	2020 £	£	2019 £	£
Fixed assets					
Tangible fixed assets	15		29,502		32,974
Current assets					
Stocks	16	3,189		1,665	
Debtors	17	102,427		104,184	
Cash at bank and in hand		116,772		67,868	
		<u>222,388</u>		<u>173,717</u>	
Creditors: amounts falling due within one year	18	<u>35,104</u>		<u>31,242</u>	
Net current assets			<u>187,284</u>		<u>142,475</u>
Total assets less current liabilities			<u>216,786</u>		<u>175,449</u>
Net assets			<u>216,786</u>		<u>175,449</u>
Funds of the charity					
Unrestricted funds			216,786		175,449
Total charity funds	20		<u>216,786</u>		<u>175,449</u>

These financial statements were approved by the board of trustees and authorised for issue on 29/6/2021, and are signed on behalf of the board by:



Julia Khan
Trustee

The notes on pages 9 to 17 form part of these financial statements.

Rainbow Pre-School & Extended Services

Statement of Cash Flows

Year ended 31 August 2020

	2020 £	2019 £
Cash flows from operating activities		
Net income/(expenditure)	41,337	(19,964)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	22,106	22,660
Other interest receivable and similar income	(167)	(129)
Interest payable and similar charges	550	369
<i>Changes in:</i>		
Stocks	(1,524)	(1,282)
Trade and other debtors	1,757	4,364
Trade and other creditors	3,862	932
Cash generated from operations	67,921	6,950
Interest paid	(550)	(369)
Interest received	167	129
Net cash from operating activities	<u>67,538</u>	<u>6,710</u>
Cash flows from investing activities		
Purchase of tangible assets	(18,634)	(6,228)
Net cash used in investing activities	<u>(18,634)</u>	<u>(6,228)</u>
Net increase in cash and cash equivalents	48,904	482
Cash and cash equivalents at beginning of year	<u>67,868</u>	<u>67,386</u>
Cash and cash equivalents at end of year	<u>116,772</u>	<u>67,868</u>

The notes on pages 9 to 17 form part of these financial statements.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements

Year ended 31 August 2020

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Nursery Building, St Andrews Lower School, Brunts Lane, Biggleswade, Bedfordshire, SG18 0LY.

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 Charities Act 2011.

3. Accounting policies

Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

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

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.

Significant judgements

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Tangible fixed assets are recognised at cost, less accumulated depreciation. Depreciation is charged over the estimated life of the asset to its estimated residual value.

The recoverability of trade debtors are considered on a regular basis. When calculating the debtor provision, the trustees consider the age of the debts and the financial position of its customer.

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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 classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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:

Fixtures and fittings - 33% straight line

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2020

3. Accounting policies (continued)

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Defined contribution plans

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

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 charity will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the charity recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the charity with no future related costs are recognised in income in the period in which it becomes receivable.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Other donations and legacies				
Donations	236	236	–	–

5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Uniform sales	240	–	240
Coronavirus job retention scheme	15,358	–	15,358
Government funding	421,530	9,429	430,959
Fees	279,559	–	279,559
School lunches	3,829	–	3,829
	<u>720,516</u>	<u>9,429</u>	<u>729,945</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

5. Charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Uniform sales	74	–	74
Coronavirus job retention scheme	–	–	–
Government funding	390,083	23,038	413,121
Fees	333,649	–	333,649
School lunches	1,970	–	1,970
	<u>725,776</u>	<u>23,038</u>	<u>748,814</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Fundraising events	<u>551</u>	<u>551</u>	<u>612</u>	<u>612</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bank interest receivable	<u>167</u>	<u>167</u>	<u>129</u>	<u>129</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Provision of pre-school and extended services	513,562	9,429	522,991
Support costs	166,571	–	166,571
	<u>680,133</u>	<u>9,429</u>	<u>689,562</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Provision of pre-school and extended services	519,202	23,038	542,240
Support costs	227,279	–	227,279
	<u>746,481</u>	<u>23,038</u>	<u>769,519</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2020

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2020 £	Total fund 2019 £
Provision of pre-school and extended services	522,991	163,561	686,552	766,678
Governance costs	–	3,010	3,010	2,841
	<u>522,991</u>	<u>166,571</u>	<u>689,562</u>	<u>769,519</u>

Included within the activities undertaken directly for the provision of pre-school and extended services is a bad debt provision amounting to £18,075 (2019: £18,123).

10. Analysis of support costs

	Provision of pre-school and extended services £	Total 2020 £	Total 2019 £
Governance costs	3,010	3,010	2,841
Management costs	57,127	57,127	51,071
Information technology	24,339	24,339	33,024
Human resources	12,133	12,133	13,012
Depreciation	22,106	22,106	22,661
Rent	11,760	11,760	16,904
Support staff salaries	2,833	2,833	42,375
Other	30,863	30,863	45,391
	<u>164,171</u>	<u>164,171</u>	<u>227,279</u>

11. Net income/(expenditure)

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

	2020 £	2019 £
Depreciation of tangible fixed assets	22,106	22,660
Operating lease rentals	<u>5,182</u>	<u>6,464</u>

12. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,460</u>	<u>2,472</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

13. Staff costs

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

	2020	2019
	£	£
Wages and salaries	488,351	527,773
Social security costs	34,574	39,792
Employer contributions to pension plans	19,493	17,149
	<u>542,418</u>	<u>584,714</u>

The average head count of employees during the year was 26 (2019: 27).

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

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 £86,590 (2019:£81,448).

14. Trustee remuneration and expenses

Julia Khan is both a trustee and is also employed as the director of the charity. She received remuneration of £50,100 (2019: £45,101) for her role as a director and the charity paid £1,314 (2019: £921) in pension contributions. This is permitted under the charity's constitution. No amounts were paid in respect of her role as a trustee.

No expenses were paid to any trustee during the year (2019: £nil).

15. Tangible fixed assets

	Fixtures and fittings
	£
Cost	
At 1 September 2019	81,331
Additions	18,634
At 31 August 2020	<u>99,965</u>
Depreciation	
At 1 September 2019	48,357
Charge for the year	22,106
At 31 August 2020	<u>70,463</u>
Carrying amount	
At 31 August 2020	<u>29,502</u>
At 31 August 2019	<u>32,974</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

16. Stocks

	2020	2019
	£	£
Uniforms for resale	3,189	1,665

17. Debtors

	2020	2019
	£	£
Trade debtors	102,427	102,697
Prepayments and accrued income	–	1,487
	<u>102,427</u>	<u>104,184</u>

18. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	459	7,967
Accruals and deferred income	4,860	6,400
Social security and other taxes	15,491	10,764
Other creditors	14,294	6,111
	<u>35,104</u>	<u>31,242</u>

19. 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 £19,493 (2019: £17,149).

20. Analysis of charitable funds

Unrestricted funds

	At 1 September 2019 £	Income £	Expenditure £	At 31 August 2020 £
General funds	<u>175,449</u>	<u>721,470</u>	<u>(680,133)</u>	<u>216,786</u>

	At 1 September 2018 £	Income £	Expenditure £	At 31 August 2019 £
General funds	<u>195,413</u>	<u>726,517</u>	<u>(746,481)</u>	<u>175,449</u>

Rainbow Pre-School & Extended Services

Notes to the Financial Statements (continued)

Year ended 31 August 2020

20. Analysis of charitable funds (continued)

Restricted funds

	At 1 September 2019 £	Income £	Expenditure £	At 31 August 2020 £
Special Education Needs Funding	–	9,429	(9,429)	–

	At 1 September 2018 £	Income £	Expenditure £	At 31 August 2019 £
Special Education Needs Funding	–	23,038	(23,038)	–

During the year £9,429 (2019: £23,038) was received for Special Educational Needs provision. The income has been spent in full during the year on childcare staff costs.

21. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	29,502	29,502
Current assets	222,388	222,388
Creditors less than 1 year	(35,104)	(35,104)
Net assets	216,786	216,786

	Unrestricted Funds £	Total Funds 2019 £
Tangible fixed assets	32,974	32,974
Current assets	173,717	173,717
Creditors less than 1 year	(31,242)	(31,242)
Net assets	175,449	175,449

22. Analysis of changes in net debt

	At 1 Sep 2019 £	Cash flows £	At 31 Aug 2020 £
Cash at bank and in hand	67,868	48,904	116,772

23. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2020 £	2019 £
Tangible fixed assets	–	7,434

Rainbow Pre-School & Extended Services

Notes to the Financial Statements *(continued)*

Year ended 31 August 2020

24. Operating lease commitments

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

	2020	2019
	£	£
Not later than 1 year	3,297	3,483
Later than 1 year and not later than 5 years	1,758	5,055
	<u>5,055</u>	<u>8,538</u>

25. Related parties

There were no related party transactions during the year other than those disclosed in notes 13 and 14.