

**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

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

### Reference and administrative details

<b>Registered charity name</b>	Rainbow Pre-School & Extended Services
<b>Charity registration number</b>	1158113
<b>Principal office</b>	The Nursery Building St Andrews Lower School Bruns Lane Biggleswade Bedfordshire SG18 0LY
<b>The trustees</b>	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](mailto:Juliakhan@rainbow-preschool.co.uk).

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

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### 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

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### 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

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### 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 .....<sup>29/6/2021</sup>..... 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

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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.

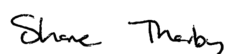
### Independent examiner's statement

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 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

		Unrestricted funds	2020 Restricted funds	Total funds	2019 Total funds
	Note	£	£	£	£
<b>Income and endowments</b>					
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
<b>Total income</b>		<u>721,470</u>	<u>9,429</u>	<u>730,899</u>	<u>749,555</u>
<b>Expenditure</b>					
Expenditure on charitable activities	8,9	680,133	9,429	689,562	769,519
<b>Total expenditure</b>		<u>680,133</u>	<u>9,429</u>	<u>689,562</u>	<u>769,519</u>
<b>Net income/(expenditure) and net movement in funds</b>		<u>41,337</u>	<u>–</u>	<u>41,337</u>	<u>(19,964)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		175,449	–	175,449	195,413
<b>Total funds carried forward</b>		<u>216,786</u>	<u>–</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 £	£
<b>Fixed assets</b>					
Tangible fixed assets	15		29,502		32,974
<b>Current assets</b>					
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>	
<b>Creditors: amounts falling due within one year</b>	18	<u>35,104</u>		<u>31,242</u>	
<b>Net current assets</b>			<u>187,284</u>		<u>142,475</u>
<b>Total assets less current liabilities</b>			<u>216,786</u>		<u>175,449</u>
<b>Net assets</b>			<u><u>216,786</u></u>		<u><u>175,449</u></u>
<b>Funds of the charity</b>					
Unrestricted funds			216,786		175,449
<b>Total charity funds</b>	20		<u><u>216,786</u></u>		<u><u>175,449</u></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 £
<b>Cash flows from operating activities</b>		
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>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(18,634)	(6,228)
Net cash used in investing activities	<u>(18,634)</u>	<u>(6,228)</u>
<b>Net increase in cash and cash equivalents</b>	48,904	482
<b>Cash and cash equivalents at beginning of year</b>	<u>67,868</u>	<u>67,386</u>
<b>Cash and cash equivalents at end of year</b>	<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

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### 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.

**Year ended 31 August 2020**

# Rainbow Pre-School & Extended Services

## Notes to the Financial Statements (continued)

Year ended 31 August 2020

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### 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 £
<b>Other donations and legacies</b>				
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 £	<b>Total Funds 2020 £</b>	Unrestricted Funds £	Total Funds 2019 £
Fundraising events	<u>551</u>	<u>551</u>	<u>612</u>	<u>612</u>

### 7. Investment income

	Unrestricted Funds £	<b>Total Funds 2020 £</b>	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 £	<b>Total Funds 2020 £</b>
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 £
<b>Cost</b>	
At 1 September 2019	81,331
Additions	18,634
<b>At 31 August 2020</b>	<u>99,965</u>
<b>Depreciation</b>	
At 1 September 2019	48,357
Charge for the year	22,106
<b>At 31 August 2020</b>	<u>70,463</u>
<b>Carrying amount</b>	
<b>At 31 August 2020</b>	<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	<u>3,189</u>	<u>1,665</u>

### 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)
<b>Net assets</b>	<b>216,786</b>	<b>216,786</b>

	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)
<b>Net assets</b>	<b>175,449</b>	<b>175,449</b>

### 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

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### 24. Operating lease commitments

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

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
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.