

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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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
Bruns 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 on28/10/24 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.

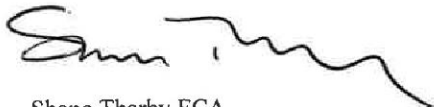
Independent examiner's statement

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		100,541		79,136	
		<u>207,597</u>		<u>165,431</u>	
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 28/6/24 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	79,136	114,725
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	6,214	6,214	11,500	11,500

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	6,221	—	6,221
	908,572	20,762	929,334

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
	—	20,762	(3,549)	17,213

	At 1 September 2021 £	Income £	Expenditure £	At 31 August 2022 £
Special Education Needs Funding	—	9,017	(9,017)	—
Landscaping project	—	—	—	—
	—	9,017	(9,017)	—

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	171,896	17,213	189,109

	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	147,386	—	147,386

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	<u>64,224</u>	<u>—</u>
	<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.