

Charity registration number 1181195

Company registration number 11297646 (England and Wales)

RAINBOW LIVING SW
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

RAINBOW LIVING SW

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Chew	
	R Airdrie	
	D Hopton	
	J Pinniger	
	V Symons	
	A Furnival	(Appointed 20 March 2024)
	S Lampey	(Appointed 7 February 2024)
Charity number	1181195	
Company number	11297646	
Principal address	104 Sweetbrier Lane Exeter EX1 3AR	
Registered office	104 Sweetbrier Lane Exeter EX1 3AR	
Auditor	Simpkins Edwards Audit LLP The Summit Woodwater Park Pynes Hill Exeter EX2 5WS	

RAINBOW LIVING SW

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RAINBOW LIVING SW

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

During the course of this last year, Rainbow Living purchased and renovated a fifth Rainbow house and from March 2024 the house was occupied by four tenants with care provided by Thera South West. The purchase of the fifth house has been a long-drawn-out process involving a number of false starts, but we are delighted with the eventual purchase of a house which has been much commented on by the tenants and families and indeed others for its sense of homeliness. The renovation of the house was largely carried out by multiple contractors. This was overseen by John Airdrie and the charity are very grateful to him for the time and energy he put into this project. Other charity volunteers also assisted with the project.

Rainbow Living continues to pride itself on being a responsible landlord and providing high quality, affordable and specially adapted accommodation for adults with learning difficulties. We aim to make sure that our Rainbow tenants – and their families – have the certainty that they have a place to live for as long as they wish; for many, Rainbow Living provides a crucial first step for moving out of the family home.

This past year has seen the anniversary of 10 years occupancy of our second house in Torbay and this was celebrated with garden events at the house, enjoyed by the tenants, their families, carers, volunteers and others connected to Rainbow Living. This year will see the anniversary of 7 years of opening Rainbow House number three and 4 years at the fourth house.

We continue to have different teams working on Operations, Housing and Development, and Finance and Fundraising, with sub-teams covering Local Fundraising and Marketing and Communications reporting to the Directors. All major decisions are taken at Director level. These groups have overseen different aspects of our work and there has been much happening.

Directors

Jeremy Chew has continued as Chair since being appointed in 2022. All directors contribute their time and energies on a voluntary basis. Mark Edwards stepped down during the course of the year and we are grateful for Mark's input into the charity and in particular as Treasurer. We are delighted that Sarah Lampey has joined us and has been appointed Treasurer. Sarah has already brought her skill in accountancy to bear. Tracey Rockey also stepped down as a director but is still actively involved with the charity as a volunteer. We have also been joined by Abbie Furnival who brings to the charity her experience as a director within the NHS.

The Operations Group

The group has overseen tenancies and rents, updated policies, managed insurance renewal and worked with the charity's insurers to ensure adequate insurance is in force to protect the interests of the charity. There is ongoing work with a service level agreement with one of the charity's two care providers. The charity has made the decision to switch to an alternative insurance broker and it is hoped that this will provide a more personalised and consistent service. Abbie Furnival has joined Operations, which has increased the Director involvement in the team, and that has been much appreciated.

RAINBOW LIVING SW

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The Finance team with the Fundraising sub team

The team has continued to oversee finances and budgets as well as developing further online streams of giving and fundraising, including the Rainbow Builders giving programme. The team has raised funds of £1,700 through the sale of goods, books and marmalade, through auctions, or selling online.

The year has been busy with a number of fundraising events. There was an open garden event at Pixie Cottage on a delightful day in June and £1,055 was raised for the charity. A quiz night in November took place at St Luke's church rooms in Countess Wear, and this was highly successful with a packed room with £815 raised. We are grateful for all those that provided prizes for the raffle and also to St Luke's church for their continued support of Rainbow Living for a second year. A sum of £270 was also raised from an afternoon tea event organised by St Luke's together with a pancake making event which raised £91.

Once again there were Rainbow Living volunteers manning gates at the Devon County show and a figure of £220 was raised for the charity. Lex Hathaway volunteered to run the Big Half London Marathon and raised £603. Additionally, Lynette and Rachel Hawes took upon themselves to Skydive (!) and raised £1,028.

The fundraising committee continues to be busy and we are very grateful for the time and effort they put in to arrange activities. We have a further garden fundraiser planned for May 2024 and a musical event in September.

To raise funds towards the purchase and refurbishment of Rainbow House Five, the charity made grant applications to Trusts & Foundations that had previously supported our work. Rainbow Living is very grateful for the continued support and generosity of these organisations which included the Garfield Weston Foundation, the Baily Thomas Charitable Fund, the Clare Milne Trust, Westmark Trust, the Edward Gostling Foundation, the Roger and Jean Jefcoate Trust, the Beatrice Laing Trust and the Bernard Sunley Charitable Trust. This raised an amazing £154,500 towards the project.

The Property Development team and Maintenance sub team

The team has continued with the operational and maintenance demands of ongoing projects, and as reported above have been particularly focused on the development and refurbishment of Rainbow House Five. We continue to be grateful for the expertise and time given on a voluntary basis by a number of people to ensure maintenance matters are dealt with on a timely basis. As the house portfolio expands increasingly more time needs to be given to this work.

Social Media & GDPR

Janet Raeburn has continued to work on a consultancy basis in Marketing and PR, strengthening our social media presence via Facebook, Twitter, Instagram and our webpage content. She has developed the marketing and communication plan for the year including the charity's Annual Report and Videos, the charity newsletter, promoting working with partners and supporting fundraising activities.

Janet is also the GDPR Data Processor for the charity with Dave Hopton as the Data Controller. The charity uses the CRM system Donorfy which Janet maintains and develops.

Public Benefit

Rainbow Living SW has demonstrated public benefit with employment possibilities in the community through care providers Thera South West and Voyage Care. In this financial year, we have five houses offering supported living places with security of tenure for 24 tenants. This has continued to increase our public benefit in the community, meeting the needs of more learning-disabled young adults and their families, and providing additional employment opportunities for support staff in the Exeter and Torbay areas.

Potential tenants

Additionally, Rainbow Living SW continues to be a point of contact for other families with young and not so young learning-disabled adults. There is the online house tour of our fifth house on the website to illustrate supported living accommodation in a Rainbow House. Our waiting list has grown and continues to do so.

RAINBOW LIVING SW

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Financially, the houses continue to run on a sound footing with rent paid by the tenants' Housing Benefit/Local Housing Allowance. The rent income goes towards servicing the mortgages on Rainbow Houses One and Four, maintenance on the properties, and furthering our charitable aims.

Risk Management

The Directors are responsible for risk management within the charity and are aware of the process to identify and categorise risks to the charity. They have given consideration to the major risks to which the charity is exposed and as an ongoing process satisfied themselves that systems or procedures are established in order to manage those risks.

In Conclusion

The charity continues to thrive and we look to the future with excitement and anticipation. The charity is volunteer-led and relies on volunteers for support in almost all aspects of fundraising and administration. As ever, we continue to be grateful for all the volunteers who give their time and expertise to the activities of Rainbow Living and are encouraged to see growth, which means we can offer support to more families and people with disabilities, in particular those with learning disabilities in our area.

Financial review

Reserves policy

The charity's effective reserves, being debtors and cash, as at 31 March 2024 totalled £136,930. Budgets for the current year show a net surplus of £31,579.

Funds will be used for the maintenance and development of the charity's properties and to service the loans on 1, The Mede and 35 Couper Meadows. Additionally, funds may be required to increase the charity's sustainability by investing in human resources.

Reserve funds for 6 months running costs amount to £73,000.

Structure, governance and management

Rainbow Living SW was incorporated as a company limited by guarantee on 07 April 2018 and registered as a charity on 17 December 2018. The company was established under a Memorandum of Association which established its objectives and powers of the charitable company, and is governed under its Articles of Association.

Rainbow Living SW is governed by a Board of Directors. The directors of the company are also charity trustees for the purpose of charity law. The minimum number of directors must be 5.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Chew

M Edwards

(Appointed 17 April 2023 and resigned 28 November 2023)

R Airdrie

D Hopton

J Pinniger

T Rockey

(Resigned 6 August 2023)

V Symons

T Russell

(Resigned 18 April 2023)

A Furnival

(Appointed 20 March 2024)

S Lampey

(Appointed 7 February 2024)

Recruitment and appointment of trustees

New directors (trustees) are appointed by existing directors at a Directors meeting.

In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

RAINBOW LIVING SW

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2024*

Auditor

In accordance with the company's articles, a resolution proposing that Simpkins Edwards Audit LLP be reappointed as auditor of the company will be put at a Directors Meeting.

The trustees' report was approved by the Board of Trustees.

J Chew
Trustee

S Lampey
Trustee

5 December 2024

RAINBOW LIVING SW

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RAINBOW LIVING SW

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF RAINBOW LIVING SW

Opinion

We have audited the financial statements of Rainbow Living SW (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

RAINBOW LIVING SW

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF RAINBOW LIVING SW

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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 charitable company through discussions with the Trustees and other management, and from our knowledge and experience of the charity;
- 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 charitable company, including the Companies Act 2006, data protection, anti-bribery and health and safety guidance;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management, reviewing correspondence with industry regulators, and inspecting legal correspondence; and
- Documented our findings on our audit file and considered the implications for our audit report.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud or error 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, or error or mistake, and
- considering the internal controls in place to mitigate risks of fraud, error or mistake.

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 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

RAINBOW LIVING SW

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF RAINBOW LIVING SW

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;
- enquiry of management as to actual and potential litigation and claims and related notifications; and
- reviewing correspondence with HMRC, relevant regulators and legal advisors.

There are inherent limitations in our audit procedures described above. For example, non-compliance with non-financial laws and regulations are likely to be harder for us to identify or to quantify.

Material misstatements that arise due to fraud are often harder to detect than those that arise from error or mistake, as the transactions carried out to commit such offences often involve the deliberate concealment or removal of charity assets or collusion from those charged with governance in such acts.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Comparative figures

The comparative figures in these financial statements were not audited. However, this has not resulted in a qualification of this audit report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

James Welton BA (Hons) FCA CTA (Senior Statutory Auditor)
for and on behalf of Simpkins Edwards Audit LLP

13 December 2024

Chartered Accountants
Statutory Auditor

The Summit
Woodwater Park
Pynes Hill
Exeter
EX2 5WS

Simpkins Edwards Audit LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

RAINBOW LIVING SW

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	61,726	106,000	167,726	30,923	46,055	76,978
Charitable activities	4	148,891	-	148,891	136,692	-	136,692
Other trading activities	5	6,967	-	6,967	10,661	-	10,661
Investments	6	5,277	-	5,277	2,628	-	2,628
Total income		222,861	106,000	328,861	180,904	46,055	226,959
Expenditure on:							
Raising funds	7	3,962	-	3,962	3,725	-	3,725
Charitable activities	8	152,162	781	152,943	109,516	6,256	115,772
Total expenditure		156,124	781	156,905	113,241	6,256	119,497
Net income		66,737	105,219	171,956	67,663	39,799	107,462
Transfers between funds		171,030	(171,030)	-	(5,450)	5,450	-
Other recognised gains and losses:							
Revaluation of tangible fixed assets	11	581,925	-	581,925	92,061	-	92,061
Net movement in funds		819,692	(65,811)	753,881	154,274	45,249	199,523
Reconciliation of funds:							
Fund balances at 1 April 2023		1,749,975	65,811	1,815,786	1,595,701	20,562	1,616,263
Fund balances at 31 March 2024		2,569,667	-	2,569,667	1,749,975	65,811	1,815,786

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

RAINBOW LIVING SW

BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		3,148,927		1,929,695
Current assets					
Debtors	13	4,498		3,130	
Cash at bank and in hand		132,432		370,399	
		136,930		373,529	
Creditors: amounts falling due within one year	15	(68,163)		(14,937)	
Net current assets			68,767		358,592
Total assets less current liabilities			3,217,694		2,288,287
Creditors: amounts falling due after more than one year	16		(648,027)		(472,501)
Net assets excluding pension liability			2,569,667		1,815,786
Net assets			2,569,667		1,815,786
The funds of the charity					
Restricted income funds	17		-		65,811
Unrestricted funds			2,569,667		1,749,975
			2,569,667		1,815,786

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

The financial statements were approved by the trustees on 5 December 2024

J Chew
Trustee

S Lampey
Trustee

Company registration number 11297646 (England and Wales)

RAINBOW LIVING SW

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Rainbow Living SW is a private company limited by guarantee incorporated in England and Wales. The registered office is 104 Sweetbrier Lane, Exeter, EX1 3AR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Rental income and monies raised from fundraising are accounted for on a receivable basis.

RAINBOW LIVING SW

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Plant and equipment	25% reducing balance
Fixtures and fittings	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

RAINBOW LIVING SW

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

As a charity, Rainbow Living SW is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable purposes. No tax charges have arisen in the charity.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

RAINBOW LIVING SW

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	39,726	1,000	40,726	29,923	55	29,978
Legacies receivable	5,000	-	5,000	1,000	-	1,000
Grants received	17,000	105,000	122,000	-	46,000	46,000
	<u>61,726</u>	<u>106,000</u>	<u>167,726</u>	<u>30,923</u>	<u>46,055</u>	<u>76,978</u>

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Property		
Charitable rental income	<u>148,891</u>	<u>136,692</u>

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising events	<u>6,967</u>	<u>10,661</u>

6 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest received	<u>5,277</u>	<u>2,628</u>

RAINBOW LIVING SW

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

7 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising and publicity		
Other fundraising costs	3,962	3,725

8 Expenditure on charitable activities

	Charitable expenditure 2024 £	Charitable expenditure 2023 £
Direct costs		
Depreciation and impairment	67,877	49,537
Council tax	3,963	3,248
House and garden maintenance	15,443	16,522
Printing, postage and stationery	31	52
Computer support	417	322
Professional fees	7,243	13,652
Audit and accountancy fees	5,760	600
Insurance	10,219	8,218
Licences and subscriptions	1,415	738
Training	-	74
Equipment	219	781
Sundries	48	192
Loan interest	39,686	21,740
Bank charges	60	96
Arts and craft activities	562	-
	152,943	115,772
Analysis by fund		
Unrestricted funds	152,162	109,516
Restricted funds	781	6,256
	152,943	115,772

9 Auditor's remuneration

	2024 £	2023 £
Fees payable to the charity's auditor and associates:		
For audit services		
Audit of the financial statements of the charity	4,800	-
For other services		
Accountancy services	960	600

RAINBOW LIVING SW

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

9 Auditor's remuneration

(Continued)

The 2023 comparative figure is in relation to independent examination fees, as opposed to audit.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

The trustees' insurance includes trustee indemnity insurance.

There were no trustee expenses paid for the year-ended 31 March 2023 (2022: £nil).

11 Gains on revaluation of fixed assets

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) upon:		
Revaluation of tangible fixed assets	581,925	92,061

During the year, three freehold properties were revalued. The properties were revalued on 06 February 2024 by Richard Morley, Chartered Surveyor to an aggregated value of £1,675,000.

A revaluation reserve has therefore been established, consisting of the original cost and accumulated depreciation to 06 February 2024, totalling £581,925.

One property was not revalued within the period as a formal revaluation was carried out on 12 December 2022. The property was revalued to £730,000 and created a revaluation reserve of £92,061. The trustees have assessed the valuation of this property and are satisfied it remains the same.

RAINBOW LIVING SW

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

12 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2023	2,180,265	30,138	128,516	2,338,919
Additions	680,923	9,870	14,391	705,184
Revaluation	224,735	-	-	224,735
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	3,085,923	40,008	142,907	3,268,838
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
At 1 April 2023	336,669	19,377	53,178	409,224
Depreciation charged in the year	51,164	3,905	12,808	67,877
Revaluation	(357,190)	-	-	(357,190)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	30,643	23,282	65,986	119,911
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 31 March 2024	3,055,280	16,726	76,921	3,148,927
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	1,843,596	10,761	75,338	1,929,695
	<hr/>	<hr/>	<hr/>	<hr/>

Land and buildings with a carrying amount of £1,117,246 were revalued at 06 February 2024 by Richard Morley, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 March 2024, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £2,373,180 (2023 - £1,741,628).

13 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	2,587	1,454
Prepayments and accrued income	1,911	1,676
	<hr/>	<hr/>
	4,498	3,130
	<hr/>	<hr/>

RAINBOW LIVING SW

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

14 Loans and overdrafts

	2024 £	2023 £
Bank loans	705,169	484,501
Payable within one year	57,142	12,000
Payable after one year	648,027	472,501
Amounts included above which fall due after five years:		
Payable by instalments	290,909	424,501

The Loraine Trust

A loan of £450,000 was established with the Loraine Trust for the purchase of a property costing £465,000. The loan is due for repayment on 28 June 2032.

Further advancements of £37,000 (agreed in 2013) and £100,000 (agreed in 2023) in relation to the mortgage on the same property were carried out under the same terms and conditions as the original loan.

A balance of £297,541 was outstanding at the year-end. Interest is payable on this loan on a quarterly basis at 4% per annum. The interest due at the balance sheet date has been included in accruals.

CAF Bank

A loan of £300,000 was established with CAF Bank Ltd for the purchase of a property costing £585,000. The loan is due for repayment on 06 September 2039.

A further advancement of £155,000 was agreed in 2023 in relation to the mortgage on the same property. The advancement is due for repayment on 19 November 2043.

A balance of £407,628 was outstanding at the year-end. Interest is payable on the original loan on a monthly basis at 4.25% per annum and at 5.25% on the advancement. The interest due at the balance sheet date has been included in accruals.

15 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	14	57,142	12,000
Other creditors		826	775
Accruals and deferred income		10,195	2,162
		68,163	14,937

16 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	14	648,027	472,501

RAINBOW LIVING SW

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Arts and Crafts	562	-	(562)	-	-
Sensory Room - The Mede	219	-	(219)	-	-
Rainbow Living House	65,030	105,000	-	(170,030)	-
Specialist Bath - Clovelly	-	1,000	-	(1,000)	-
	<u>65,811</u>	<u>106,000</u>	<u>(781)</u>	<u>(171,030)</u>	<u>-</u>
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
Arts and Crafts	562	-	-	-	562
Sensory Room - The Mede	-	1,000	(781)	-	219
Property - Avenue Road	-	25	(5,475)	5,450	-
Rainbow Living House	20,000	45,030	-	-	65,030
	<u>20,562</u>	<u>46,055</u>	<u>(6,256)</u>	<u>5,450</u>	<u>65,811</u>

A balance of £562 was carried forward from the previous year to fund arts and craft activities for adults with learning disabilities. The monies have been spent in the year.

A balance of £219 was carried forward to provide a sensory room at The Mede. The monies have been spent in the year.

A balance of £65,030 has been carried forward for the provision of a 5th property for Rainbow Living. Further income of £105,000 was received during the year. The property was purchased during the year and the property, alongside associated costs of bringing the property into its intended use, were capitalised. A transfer of £170,030 was made to unrestricted funds.

A donation of £1,000 was given for a specialist bath at the Torquay property. The cost of the bath exceeded the donation given and has been capitalised. Therefore, a transfer of £1,000 was made to the unrestricted funds.

RAINBOW LIVING SW

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2024 £
General funds	1,749,975	222,861	(156,124)	171,030	581,925	2,569,667
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2023 £
General funds	1,595,701	180,904	(113,241)	(5,450)	92,061	1,749,975

19 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	3,148,927	-	3,148,927
Current assets/(liabilities)	68,767	-	68,767
Long term liabilities	(648,027)	-	(648,027)
	2,569,667	-	2,569,667
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:			
Tangible assets	1,929,695	-	1,929,695
Current assets/(liabilities)	292,781	65,811	358,592
Long term liabilities	(472,501)	-	(472,501)
	1,749,975	65,811	1,815,786

RAINBOW LIVING SW

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2024*

20 Related party transactions

Three trustees have children who are tenants of The Mede. Rental income received from trustees' children totalled £24,371 in the year (2023: £22,519). All rental income is charged at a commercial rate.

The spouse of one trustee has provided electrical services in relation to three of the charity's properties. There were three transactions totalling £130 in the year (2023: £366), and this included both labour and materials.

£3,683 was received in donations from trustees and related parties without conditions during the year (2023: £2,539).

21 Connected charities

The charity has links with the charity 'Voyage Care' and 'Thera South-West'. They provide staff and pay the staff costs, which support the tenants in daily living.