

**Company Registration Number: NI601526**

**Charity Registration Number: 101018**

**Rainbow Daycare (Eglish) Ltd  
(Charitable Company Limited by Guarantee)**

**Annual Report and Audited Financial Statements**

**For the year ended 30 June 2023**



**Rainbow Daycare (Eglish) Ltd**  
**(Charitable Company Limited by Guarantee)**

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**For the year ended 30 June 2023**

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**Rainbow Daycare (Eglish) Ltd**  
**(Charitable Company Limited by Guarantee)**

**GENERAL INFORMATION**

**Board of Directors**

Martina Bateson  
Clare Daly  
Fionnuala Daly  
Linda Daly (resigned 28 November 2022)  
Eimear Donaghy  
Catriona Donnelly  
Colette Fay  
Catherine Jones (resigned 28 November 2022)  
Orla Kelly  
Sophia Kerr  
Alexandra McKee (resigned 28 November 2022)

**Company  
Secretary**

Fionnuala Daly (appointed on 28 November 2022)

**Registered office**

Rainbow Community Childcare  
2 Stiloga Road  
Eglish  
Dungannon  
County. Tyrone  
BT71 7DW

**Company registration number**

NI601526

**Charity registration number**

101018

**Independent examiners**

CavanaghKelly  
Chartered Accountants  
36-38 Northland Row  
Dungannon  
Co Tyrone  
BT71 6AP

**Bankers**

Bank of Ireland  
Market Street  
Magherafelt  
Co. Londonderry  
BT45 6EE

## **Rainbow Daycare (Eglish) Ltd (Charitable Company Limited by Guarantee)**

### **DIRECTORS' REPORT For the year ended 30 June 2023**

The Directors, who are the trustees for the purpose of charity law, have pleasure in presenting their report and the unaudited financial statements of the charitable company for the year ended 30 June 2023.

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102), United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006.

#### **Reference and Administration Details**

The reference and administration details of the charity are as shown on page 3.

#### **Objectives and Activities**

The key aims of Rainbow Daycare (Eglish) Ltd are to allow young people to develop their own optimum level of independence.

The principal activity of the charity is to enhance development and education of young children through:

- The provision of high quality day care and childcare;
- Working to ensure that quality day care and childcare is available to children and families regardless of means, race, disability, gender, religion, belief or any other factor;
- Identifying the wider support needs of children and families and to seek to ensure that such needs are met;
- Encouraging, enabling and supporting the involvement of parents and carers in their children learning and development; and
- Contributing to the professional development of those working in daycare and childcare; and
- Encouraging and enabling the involvement of parents, carers and the wider community in the affairs of the Charity.

#### **Public Benefit Statement**

The Directors of Rainbow Daycare (Eglish) Ltd confirm that they have complied with their duty under section 4(6) of the Charities Act (Northern Ireland) 2022 to have regard to the Charity Commission for Northern Ireland's guidance on public benefit and that the public benefit requirement has informed the activities of the charitable company in the year ended 30 June 2023.

#### **Achievements and Performance**

The Directors are confident that the charitable company continues to meet its performance objectives to benefit the local community. The charitable company continues to receive funding from local bodies.

Rainbow Daycare (Eglish) Ltd is registered with the Southern Health and Social Care Trust and is inspected by them annually to ensure that high quality care and education is provided for all children in our Centre. We are also a member of the "Early Years Organisation for Young Children".

## **DIRECTORS' REPORT**

### **For the year ended 30 June 2023**

Rainbow Daycare (Eglish) Ltd currently offers a combined capacity of 151 registered places, 51 for playgroup, 60 for out of school and 40 for daycare.

The centre has been designed to meet the highest childcare standards, meeting with Trust regulations and the environmental health standards stipulated for a day care provider. All necessary Registrations are held and are reviewed on a regular basis by the regulatory bodies to ensure the highest standards are being maintained.

With a high standard of staff training and experience, the centre is providing an opportunity for others to learn and become trained in childcare, both as workers and volunteers in a rural area.

The centre supports the cross community requirements of the charity given its neutral location in the community. As is the case with many other rural communities in Northern Ireland, these children are dominated by one tradition that experiences little contact with similar groups from other traditions. This can limit their ability to address conflict and division, and can also hinder regeneration or development in that locality. The centre helps address this imbalance.

The playgroup provides pre-school services to children aged 3 to 4 years. The Playgroup implements 'High/Scope' for 3-4 year olds. This is a quality approach to early childhood care and education and a recognised standard with Early Years and Social Services. 'High/Scope' identifies and builds on children's strengths, interests and abilities and was adapted by educators to meet the needs of local communities. 'High/Scope' has been shaped and developed by research over many years and is used internationally in a variety of settings including daycare, playgroups, nurseries and primary schools. This best practice approach 'High/Scope' is also being implemented for the babies and toddlers who attend full daycare.

The playgroup places are funded through the PEGS programme.

Out of School Club commenced in September 2012, which operates from 2.00pm to 6.00pm during term time and caters for children from 4 years to 12 years. The out of school club operates from 9.00am – 6.00pm during school holidays.

The Out of School Club provides a range of activities which encourage active play, exercise and development of hobbies and sports.

## **Financial Review**

### ***Financial Performance***

The financial performance was in line with the Board of Directors' expectations. The charitable company remains in a sound financial position at the year end. The results for the year are set out in detail on pages 14-27. The charitable company returned net outgoing resources for the year of £25,570 (2022: net incoming resources of £85,982).

At 30 June 2023, the total funds of the charitable company amounted to £751,806 (2022: £777,376) comprising of £431,208 (2022: £449,462) of unrestricted and £320,598 (2022: £327,914) of restricted funds. Principal sources of funding and how this has supported the key objectives of the charitable company are disclosed in the notes to the financial statements.

## **DIRECTORS' REPORT**

### **For the year ended 30 June 2023**

#### ***Reserves Policy***

The charitable company does not maintain a formal reserves policy however the Board of Directors continue to monitor the level of reserves held by the charitable company and are satisfied that these are adequate to meet any unforeseen expenditure incurred.

The directors feel there is no need for a formal reserves policy as Rainbow Daycare (Eglish) Ltd is an income generating charity and only rely on grant income for a small proportion of income.

The charitable company has free reserves of £16,098, the equivalent of 2 weeks unrestricted expenditure (2022: 30,480 - 4 weeks).

#### **Structure, Governance and Management**

##### ***Organisational structure***

The charitable company is a company limited by guarantee, not having a share capital.

The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under its Articles of Association.

Any person wishing to become a Director must apply in writing prior to the Annual General Meeting. A vote is then taken at the Annual General Meeting as to whether that person is appointed.

##### ***Directors***

The Directors during the year are the same as the Directors as listed on page 3.

##### ***Taxation Status***

The charitable company is recognised as a charity by HM Revenue & Customs. Accordingly, the charitable company has availed of the exemptions contained in Chapter 3 Part 11 Corporation Taxes Act 2010 and Section 256 Taxation of Chargeable Gains Act 1992.

## **DIRECTORS' REPORT**

**For the year ended 30 June 2023**

### **Directors' Responsibilities Statements**

The Directors are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company 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 Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

### **Statement of Disclosure of Information to Auditor**

In so far as the Directors, who held office at the date of approval of these financial statements, are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## **DIRECTORS' REPORT**

**For the year ended 30 June 2023**

### **Small Companies Exemption**

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the Board of Directors on 27 November 2023 and signed on its behalf



**Catriona Donnelly**

**Director**

**Company Registration Number: NI601526**

**Charity Registration Number: 101018**



**Rainbow Daycare (Eglish) Ltd**  
**(Charitable Company Limited by Guarantee)**

**Independent Auditor's report to the Directors of Rainbow Daycare**  
**(Eglish) Ltd for the year ended 30 June 2023**

**Opinion**

We have audited the financial statements of Rainbow Daycare (Eglish) Ltd ('the charitable company') for the year ended 30 June 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's Directors, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Directors 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 charitable company and the charitable company's Directors as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of its total incoming resources and expenditure of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 company in accordance with 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.

## **Independent Auditor's report to the Directors of Rainbow Daycare (Eglish) Ltd for the year ended 30 June 2023**

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

## **Independent Auditor's report to the Directors of Rainbow Daycare (English) Ltd for the year ended 30 June 2023**

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report.

### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purpose of charity 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 Directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

## **Independent Auditor's report to the Directors of Rainbow Daycare (Eglish) Ltd for the year ended 30 June 2023**

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The objectives of our audit in respect of fraud are to assess the risk of material misstatement due to fraud, design and implement appropriate responses to those assessed risks and to respond appropriately to instances of fraud or suspected fraud identified during the course of our audit. However, the primary responsibility for the prevention and detection of fraud rests with management and those charged with governance of the charitable company.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained understanding of the legal and regulatory requirements applicable to the charitable company's financial statements and considered the most significant are the Companies Act 2006, Financial Reporting Standards (FRS102), Grant funding bodies regulation and UK taxation legislation;
- We have assessed the risk of material misstatement of the financial statements, including risk of material misstatement due to fraud and how it might occur by holding discussions with management and those charged with governance;
- We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- Certain disclosures of directors' remuneration specified by law are not made; or
- Understanding the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; and
- Discussions amongst the audit engagement team regarding how fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion we identified the following potential areas where fraud may occur: timing of revenue recognition, recognition of grant income and management override.

The audit response to risks identified included:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the relevant laws and regulations above;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are reasonable and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

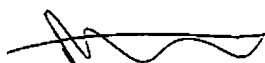
## **Independent Auditor's report to the Directors of Rainbow Daycare (Eglish) Ltd for the year ended 30 June 2023**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Auditor's responsibilities for the audit of the financial statements (Continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditors\\_responsibilities](http://www.frc.org.uk/auditors_responsibilities). This description forms part of our auditor's report.



**Mr Ryan Falls F.C.A. (Senior Statutory Auditor)**

**For and on behalf of**

**CAVANAGHKELLY**

Chartered Accountants & Statutory Auditors

36-38 Northland Row

Dungannon

Co Tyrone

BT71 6AP

**27 November 2023**

**Rainbow Daycare (Eglish) Ltd**  
**(Charitable Company Limited by Guarantee)**

**Statement of Financial Activities**  
**For the year ended 30 June 2023**

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
<b>INCOME AND ENDOWMENTS</b>							
Income from Charitable Activities	3	496,166	23,734	519,900	514,835	49,554	564,389
Other Trading Activities	4	1,855	-	1,855	6,831	-	6,831
<b>TOTAL INCOME AND ENDOWMENTS</b>		<b>498,021</b>	<b>23,734</b>	<b>521,755</b>	<b>521,666</b>	<b>49,554</b>	<b>571,220</b>
<b>Resources Expended</b>							
Charitable activities	5	(516,276)	(31,050)	(547,326)	(433,633)	(51,605)	(485,238)
<b>Total Resources Expended</b>		<b>(516,276)</b>	<b>(31,050)</b>	<b>(547,326)</b>	<b>(433,633)</b>	<b>(51,605)</b>	<b>(485,238)</b>
<b>Net income / (outgoing) resources for the year</b>		<b>(18,255)</b>	<b>(7,316)</b>	<b>(25,571)</b>	<b>88,033</b>	<b>(2,051)</b>	<b>85,982</b>
Transfer between funds		-	-	-	4,181	(4,181)	-
Balance brought forward		449,462	327,914	777,376	357,248	334,146	691,394
<b>Balance carried forward</b>		<b>431,207</b>	<b>320,598</b>	<b>751,806</b>	<b>449,462</b>	<b>327,914</b>	<b>777,376</b>

The above Statement of Financial Activities includes all information as required to be disclosed by the Companies Act 2006.

All of the activities of the charitable company are classed as continuing.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 18 to 27 form an integral part of the financial statements.

**Rainbow Daycare (Eglish) Ltd**  
**(Charitable Company Limited by Guarantee)**

**Statement of Financial Position**  
**As at 30 June 2023**

		2023	2022
	Notes	£	£
<b>Non-Current Assets</b>			
Property, plant and equipment	9	<u>726,499</u>	<u>737,687</u>
<b>Current assets</b>			
Receivables	10	9,808	16,321
Cash and cash equivalents		<u>98,682</u>	<u>115,305</u>
		108,490	131,626
<b>Payables: Amounts falling due within one year</b>	11	<u>(31,541)</u>	<u>(35,974)</u>
<b>Net current assets</b>		<u>76,949</u>	<u>95,652</u>
<b>Total assets less current liabilities</b>		803,448	833,339
<b>Payables: Amounts falling due after one year</b>	12	(51,642)	(55,963)
<b>Net Assets</b>		<u><u>751,806</u></u>	<u><u>777,376</u></u>
<b>REPRESENTED BY:</b>			
Unrestricted funds	13	431,207	449,462
Restricted funds	13	<u>320,598</u>	<u>327,914</u>
Total Funds	13	<u><u>751,806</u></u>	<u><u>777,376</u></u>

The directors' statements shown on the following page form part of this Statement of Financial Position.

**Rainbow Daycare (Eglish) Ltd  
(Charitable Company Limited by Guarantee)**

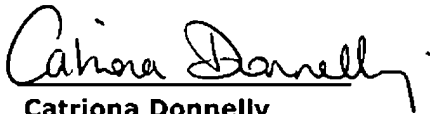
**Statement of Financial Position  
As at 30 June 2023 (Continued)**

These financial statements have been prepared in accordance with the provisions applicable to the small companies' regime within Part 15 of the Companies Act 2006.

The Directors acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with Section 386; and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming or outgoing resources for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes on pages 18-27 form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 27 November 2023 and signed on their behalf by:



**Catriona Donnelly  
DIRECTOR**

**Company Registration Number: NI601526**

**Charity Registration Number: 101018**



**Rainbow Daycare (Eglish) Ltd**  
**(Charitable Company Limited by Guarantee)**

**Statement of Cash Flows**  
**For the year ended 30 June 2023**

	2023	2022
	£	£
<b>Cash flows from operating activities</b>		
(Deficit)/Surplus for the year	(25,571)	85,982
Adjustments for:		
Depreciation	24,790	23,061
	<u>(780)</u>	<u>109,043</u>
Movements in working capital:		
Movement in receivables	6,513	(4,026)
Movement in payables	5,146	(4,314)
	<u>11,659</u>	<u>(8,340)</u>
<b>Net cash generated from operating activities</b>	<u><b>10,878</b></u>	<u><b>100,703</b></u>
<b>Cash flows from investing activities</b>		
Payments to acquire property, plant and equipment	<u>(13,602)</u>	<u>(14,559)</u>
<b>Cash flows from financing activities</b>		
Repayment of bank loans	(13,900)	(113,502)
New loans received in year	<u>-</u>	<u>-</u>
<b>Net (decrease) in cash and cash equivalents</b>	<u><b>(16,624)</b></u>	<u><b>(27,358)</b></u>
<b>Cash and cash equivalents at beginning of financial year</b>	<u><b>115,305</b></u>	<u><b>142,663</b></u>
<b>Cash and cash equivalents at end of financial year</b>	<u><u><b>98,681</b></u></u>	<u><u><b>115,305</b></u></u>

**Rainbow Daycare (Eglish) Ltd**  
**(Charitable Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**1. GENERAL INFORMATION**

Rainbow Daycare (Eglish) Ltd is a charitable company limited by guarantee incorporated in Northern Ireland within the United Kingdom. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The address of the registered office is as shown on page 2.

The charitable company constitutes a public benefit entity as defined by FRS 102.

**2. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

**2.1 Statement of Compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Second Edition), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

**2.2 Basis of Preparation**

The financial statements are prepared on a going concern basis under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

**2.4 Income and Endowments**

**(i) Charitable Activities**

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. It is recognised as earned as the related services or goods are provided. Grant income is recognised in the Statement of Financial Activities when receivable. Grant income included in this category provides funding to support projects and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

**Rainbow Daycare (Eglish) Ltd**  
**(Charitable Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**2.4 Income and Endowments**

**(ii) Other Trading activities**

Voluntary income includes incoming resources from gifts, donations and grants and is recognised in full in the Statement of Financial Activities when receivable. Activities for generating funds are commercial activities which are recognised as earned when the related goods and services are provided.

**2.5 Resources Expenditure**

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods and services are supplied. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with use of resources. Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.

**(i)**

This comprises all the resources applied by the charitable company in undertaking its work to meet its charitable objectives. Charitable activities will include the costs of governance arrangements which relate to the general running of the charity.

**2.6 Fund Accounting**

The charitable company has two types of funds for which it is responsible at the year-end:

**Designated Funds** - Funds which are unrestricted which the trustees have decided at their discretion to set aside for a specific purpose.

**Unrestricted Funds** - Funds which are expendable at the discretion of the Directors in furtherance of the objectives of the charitable company. In additions, funds may be held in order to finance capital investment and working capital.

**Restricted Funds** – Income received for specific purposes. Such purposes are within the overall aims of the charitable company.

**Rainbow Daycare (Eglish) Ltd**  
**(Charitable Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**2.7 Property, Plant and Equipment and Depreciation**

All property, plant and equipment are initially recorded at cost.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and Buildings	2% Straight Line
Fixtures, Fittings & Equipment	25% Straight Line
Motor Vehicles	20% Straight Line

**2.8 Trade and Other Receivables**

Trade and other receivables are initially recorded at fair value and thereafter stated at cost less impairment losses for bad and doubtful debts.

**2.9 Trade and Other Payables**

Trade and other payables are initially recognised at fair value and thereafter stated at cost.

**2.10 Taxation**

As a charity, the charitable company is not liable to Corporation Tax.

**2.11 Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical judgements in applying the entity's accounting policies*

There are no critical judgements in applying the charity's accounting policies.

*Critical accounting estimates and assumptions*

There are no actual accounting estimates and assumptions.

**Rainbow Daycare (Eglish) Ltd**  
**(Charitable Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**2.12 Financial instruments**

**(i) Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances and amounts owed by related parties and are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Financial Activities.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and overdrafts and amounts owed to related parties 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to

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Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**2.13 Pension and other post retirement obligations**

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for the service, the excess is recognised as a prepayment.

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**Notes to the Financial Statements**  
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**3. INCOME AND ENDOWMENTS**

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2023	2023	2023	2022
	£	£	£	£
<b>Charitable Activities</b>				
Children Fees & Daycare	324,677	-	<b>324,677</b>	320,631
Playgroup & Out of School Income	167,895	-	<b>167,895</b>	156,957
<b>Grant Income:</b>				
SHSCT	-	-	-	5,390
Pathway	-	21,560	<b>21,560</b>	44,164
Covid Grants	-	-	-	35,220
Milk Grant	-	2,174	<b>2,174</b>	1,927
Department of Education	-	-	-	100
Department of Employment	3,055	-	<b>3,055</b>	-
BSO - Supported Playgroup Place	540	-	<b>540</b>	-
<b>Total Income from Charitable Activities</b>	<b>496,166</b>	<b>23,734</b>	<b>519,900</b>	<b>564,389</b>

Income on charitable activities in the year ended 30 June 2022 of £564,389 was made up of unrestricted funds of £514,835 and restricted funds of £49,554.

**4. Income from Other Trading Activities**

Uniforms	433	-	<b>433</b>	830
Fundraising	1,422	-	<b>1,422</b>	2,852
Other Income	-	-	-	3,149
	<b>1,855</b>	<b>-</b>	<b>1,855</b>	<b>6,831</b>

All income from other trading activities in the year ended 30 June 2022 was unrestricted.

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**For the year ended 30 June 2023**

**5. RESOURCES EXPENDED**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>	<b>Total Funds</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Charitable activities</b>				
Wages	380,131	21,560	<b>401,691</b>	359,646
Pension	6,888	-	<b>6,888</b>	5,123
Insurance	11,323	-	<b>11,323</b>	11,348
Light & Heat	14,057	-	<b>14,057</b>	12,087
Water Charges	1,378	-	<b>1,378</b>	1,242
Telephone	2,941	-	<b>2,941</b>	2,597
Cleaning	12,974	-	<b>12,974</b>	523
Adverts Printing & Stationery	1,728	-	<b>1,728</b>	1,857
Travel expense	2,444	-	<b>2,444</b>	1,188
Resources	4,454	2,174	<b>6,628</b>	11,432
Equipment & Toys	3,385	-	<b>3,385</b>	5,037
Food and Snacks	18,743	-	<b>18,743</b>	16,789
Training	819	-	<b>819</b>	602
Early Years Fees	1,885	-	<b>1,885</b>	2,490
Jumpers/ Uniforms	1,377	-	<b>1,377</b>	1,352
Repairs & Maint	6,861	-	<b>6,861</b>	5,030
IT equipment and maintenance	2,458	-	<b>2,458</b>	1,197
Bank Interest & Fees	523	-	<b>523</b>	498
Loan Interest Payments	3,349	-	<b>3,349</b>	4,453
Bookkeeping and office support	12,628	-	<b>12,628</b>	9,676
Depreciation Land and Buildings	10,264	6,451	<b>16,715</b>	16,712
Depreciation Fixture & Fittings	5,958	865	<b>6,823</b>	5,422
Depreciation Motor Vehicles	1,252	-	<b>1,252</b>	927
Audit	3,355	-	<b>3,355</b>	2,698
Professional Fees	1,594	-	<b>1,594</b>	1,734
General expenses	1,049	-	<b>1,049</b>	1,954
Gifts	1,128	-	<b>1,128</b>	535
Outings	1,329	-	<b>1,329</b>	1,090
	<b>516,276</b>	<b>31,050</b>	<b>547,326</b>	<b>485,238</b>

Expenditure on charitable activities in the year ended 30 June 2022 of £485,238 was made up of unrestricted funds of £433,633 and restricted funds of £51,605.



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**9. PROPERTY, PLANT AND EQUIPMENT**

	Land and Buildings freehold	Motor Vehicles	Fixtures, Fittings and Equipment	Total
	£	£	£	£
<b>Cost</b>				
At 30 June 2022	835,623	11,100	61,260	907,983
Additions	-	6,500	7,102	13,602
At 30 June 2023	<u>835,623</u>	<u>17,600</u>	<u>68,362</u>	<u>921,585</u>
<b>Depreciation</b>				
At 30 June 2022	118,571	7,393	44,332	170,296
Charge for the year	16,715	1,252	6,823	24,790
At 30 June 2023	<u>135,286</u>	<u>8,645</u>	<u>51,155</u>	<u>195,086</u>
<b>Net Book Values</b>				
At 30 June 2023	<u><b>700,337</b></u>	<u><b>8,955</b></u>	<u><b>17,207</b></u>	<u><b>726,499</b></u>
At 30 June 2022	<u>717,052</u>	<u>3,707</u>	<u>16,928</u>	<u>737,687</u>

**10. RECEIVABLES**

	2023	2022
	£	£
Trade receivables	<u><b>9,808</b></u>	<u>16,321</u>
	<u><b>9,808</b></u>	<u>16,321</u>

**11. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Bank loan	<b>17,248</b>	26,828
Trade payables	<b>660</b>	4,206
Accruals and deferred income	<u><b>13,633</b></u>	<u>4,940</u>
	<u><b>31,541</b></u>	<u>35,974</u>

**12. PAYABLES: AMOUNTS FALLING DUE AFTER ONE YEAR**

	2023	2022
	£	£
Bank loan	<u><b>51,642</b></u>	<u>55,963</u>
	<u><b>51,642</b></u>	<u>55,963</u>

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**6. NET INCOME/(EXPENDITURE) FOR THE YEAR**

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

	<b>2023</b>	2022
	£	£
Depreciation	<b>24,790</b>	23,061
Auditor remuneration	<b>3,355</b>	2,698
	<b><u>28,145</u></b>	<u>25,759</u>

**REMUNERATION**

independent examination fee of £3,355

**BENEFITS**

by the charitable company during the year

benefit's was as follows:

	<b>2023</b>	2022
	£	£
Wages and salaries	<b>382,968</b>	328,969
Social security costs	<b>18,723</b>	30,677
Pension costs	<b>6,888</b>	5,123
	<b><u>408,579</u></b>	<u>364,769</u>

No employee of the charitable company received total employee benefits of more than £60,000.  
The directors are considered the key management of the charity.

**8.1 DIRECTORS' REMUNERATION**

The Directors received nor waived any remunerations or any other benefits during the year and no reimbursements of expenses incurred.

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**Notes to the Financial Statements**  
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**Bank loan maturity analysis**

	<b>2023</b>	2022
	<b>£</b>	<b>£</b>
Repayable within one year	<b>17,248</b>	26,828
Repayable between one and two years	<b>51,642</b>	55,962
	<b><u>68,890</u></b>	<b><u>82,790</u></b>

The bank loans are secured by the assets of the Charity.

**13. ANALYSIS OF NET ASSETS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>	<b>Total Funds</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Property, plant and equipment	415,110	311,389	<b>726,499</b>	737,687
Current assets	99,281	9,209	<b>108,490</b>	131,626
Current liabilities	(31,541)	-	<b>(31,541)</b>	(35,974)
Non-current liabilities	(51,642)	-	<b>(51,642)</b>	(55,963)
	<b><u>431,208</u></b>	<b><u>320,598</u></b>	<b><u>751,806</u></b>	<b><u>777,376</u></b>

**14. ANALYSIS OF FUNDS**

	<b>Opening Balance</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer Between Funds</b>	<b>Closing Balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Department of Agriculture and Rural Development	316,114	-	(6,451)	-	<b>309,663</b>
Pathways	11,800	21,560	(22,425)	-	<b>10,935</b>
Milk Grant	-	2,174	(2,174)	-	-
<b>Restricted Funds</b>	<b><u>327,914</u></b>	<b><u>23,734</u></b>	<b><u>(31,050)</u></b>	<b><u>-</u></b>	<b><u>320,598</u></b>
<b>Unrestricted Funds</b>	<b><u>449,462</u></b>	<b><u>498,021</u></b>	<b><u>(516,276)</u></b>	<b><u>-</u></b>	<b><u>431,207</u></b>
<b>Total Funds</b>	<b><u>777,376</u></b>	<b><u>521,755</u></b>	<b><u>(547,326)</u></b>	<b><u>-</u></b>	<b><u>751,805</u></b>

**15. CONTINGENT LIABILITIES**

A contingent liability exists to repay grants received should certain conditions not be fulfilled by the charitable company. In the opinion of the directors the terms of these letters of offer have been complied with and no loss is expected.