

**CHARITY REGISTRATION NUMBER: 1158113**

**Rainbow Pre-School and Extended Services**  
**Unaudited Financial Statements**  
**For the year ended**  
**31 August 2017**

# Rainbow Pre-School and Extended Services

## Financial Statements

Year ended 31 August 2017

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# Rainbow Pre-School and Extended Services

## Trustees' Annual Report

Year ended 31 August 2017

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The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2017.

### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered charity name** Rainbow Pre-School and 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 (Secretary)  
Helen Rae  
Joanne Norman (Appointed 28 July 2017)  
Charlotte Boot (Resigned 28 February 2017)

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

**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 and Extended Services

## Trustees' Annual Report *(continued)*

Year ended 31 August 2017

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### STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

#### Governance and management

Charlotte Boot resigned as a Trustee and stood down on the 28th of February 2017 and Joanne Norman commenced in the role of Trustee from 28th of July 2017. There were no further changes to the structure. Two of our Trustees are parents of the children who attend our After School Club. The aims for the future regarding Trustees is to always have a proportion of parents of children who attend our setting, but in addition we will recruit externally for members who have specific skills that are required to broaden the overall knowledge and skill set required for a committee of Trustees.

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

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

Victoria Sharp, the Head of Rainbow Pre-School is a qualified Early Years Teacher and is responsible for the learning and development of all of the children in our care. Victoria line manages both the Pre-School Managers and the Extended Services Managers who in turn line manages the Pre-School Practitioners and Play Workers on both sites.

#### 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 in to 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 number is 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 and Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2017

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## OBJECTIVES AND PUBLIC BENEFIT

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

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 in addition to Breakfast Club and After School Club provision. During school holiday periods a holiday club is in operation. Term Time and Holiday Club provides provision from 7.30am to 6pm Monday to Friday for 50 weeks of the year.

The service that Rainbow Pre-School & Extended Services provides to the families of the local community, is flexible high quality childcare at affordable prices, for children aged between 2 years and 9 years.

In August 2015 Rainbow Pre-School & Extended Services opened a second site within the grounds of St Andrews Lower School in the Kings Reach area of Biggleswade, operating from within 2 of the unused classrooms. Julia Khan is negotiating with Central Bedfordshire Council to obtain sufficient funding to secure a purpose built pre-school, for when there is no longer spare classrooms to be used at the east site.

## ACHIEVEMENTS AND PERFORMANCE

### Charitable activities

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

### Ofsted Inspection West Site

Ofsted inspected our West Site on the 24th of January 2017, Rainbow Pre-School & Extended Services was awarded GOOD in all areas.

Rainbow Pre-School is expecting an Ofsted inspection at the East Site towards the end of 2017 and is aiming to also receive a good inspection.

# Rainbow Pre-School and Extended Services

Trustees' Annual Report *(continued)*

Year ended 31 August 2017

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## FINANCIAL REVIEW

### Financial

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

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

There have been no internal fund raising events held throughout this year, but a small amount of funding was raised by arranging letters from Santa and a day where children were invited to wear Christmas Jumpers and donate £1.00, in lieu of wearing uniform.

### Reserves Policy

We aim to hold in reserve unrestricted funds that equal payment in lieu of notice periods for all staff and any other liabilities, which we estimate to be approximately £100,000.

The trustees' annual report was approved on 26/6/18 and signed on behalf of the board of trustees by:



Peter Teuma (Chair)  
Trustee

# Rainbow Pre-School and Extended Services

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

Year ended 31 August 2017

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I report to the trustees on my examination of the financial statements of Rainbow Pre-School and Extended Services ('the charity') for the year ended 31 August 2017.

### Responsibilities and basis of report

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

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

### Independent examiner's statement

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

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

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

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



Shane Tharby FCA  
Independent Examiner

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

26/6/18

# Rainbow Pre-School and Extended Services

## Statement of Financial Activities

Year ended 31 August 2017

		Unrestricted funds £	2017 Restricted funds £	Total funds £	2016 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	4	20	—	20	—
Charitable activities	5	578,458	6,355	584,813	498,640
Other trading activities	6	1,427	—	1,427	1,671
<b>Total income</b>		<u>579,905</u>	<u>6,355</u>	<u>586,260</u>	<u>500,311</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Costs of other trading activities	7	1,638	—	1,638	942
Expenditure on charitable activities	8,9	547,278	8,087	555,365	445,673
<b>Total expenditure</b>		<u>548,916</u>	<u>8,087</u>	<u>557,003</u>	<u>446,615</u>
<b>Net (expenditure)/income and net movement in funds</b>		<u>30,989</u>	<u>(1,732)</u>	<u>29,257</u>	<u>53,696</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		106,806	3,211	110,017	56,321
<b>Total funds carried forward</b>		<u>137,795</u>	<u>1,479</u>	<u>139,274</u>	<u>110,017</u>

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

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



# Rainbow Pre-School and Extended Services

## Statement of Financial Position

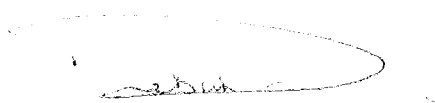
31 August 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible fixed assets	15	17,327	18,001
<b>Current assets</b>			
Stocks	16	746	154
Debtors	17	74,742	33,566
Cash at bank and in hand		54,924	69,518
		<u>130,412</u>	<u>103,238</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>8,465</u>	<u>11,222</u>
<b>Net current assets</b>		<u>121,947</u>	<u>92,016</u>
<b>Total assets less current liabilities</b>		<u>139,274</u>	<u>110,017</u>
<b>Net assets</b>		<u>139,274</u>	<u>110,017</u>
<b>Funds of the charity</b>			
Restricted funds		1,479	3,211
Unrestricted funds		137,795	106,806
<b>Total charity funds</b>	20	<u>139,274</u>	<u>110,017</u>

These financial statements were approved by the board of trustees and authorised for issue on 26/6/18 and are signed on behalf of the board by:



Peter Teuma (Chair)  
Trustee



Debbie King (Treasurer)  
Trustee

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

# Rainbow Pre-School and Extended Services

## Statement of Cash Flows

Year ended 31 August 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Net (expenditure)/income	29,257	53,696
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	8,449	3,441
<i>Changes in:</i>		
Stocks	(592)	1,075
Trade and other debtors	(41,176)	(22,002)
Trade and other creditors	(2,757)	6,767
Cash generated from operations	(6,819)	42,977
Net cash (used in)/from operating activities	(6,819)	42,977
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(7,775)	(16,499)
Net cash used in investing activities	(7,775)	(16,499)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(14,594)	26,478
<b>Cash and cash equivalents at beginning of year</b>	69,518	43,040
<b>Cash and cash equivalents at end of year</b>	54,924	69,518

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

# Rainbow Pre-School and Extended Services

## Notes to the Financial Statements

Year ended 31 August 2017

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### 1. General information

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

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

### 3. Accounting policies

#### Basis of preparation

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

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

#### Going concern

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

#### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 September 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

#### 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.

# Rainbow Pre-School and Extended Services

## Notes to the Financial Statements (continued)

Year ended 31 August 2017

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### 3. Accounting policies (continued)

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

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

#### Tangible assets

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

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings                      -     33% straight line

#### 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.

### 4. Donations and legacies

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Donations	20	20	---	---

# Rainbow Pre-School and Extended Services

## Notes to the Financial Statements (continued)

Year ended 31 August 2017

### 5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Uniform sales	976	—	976
Government funding	275,357	6,355	281,712
Fees	300,625	—	300,625
Other funding	1,500	—	1,500
	<u>578,458</u>	<u>6,355</u>	<u>584,813</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Uniform sales	2,317	—	2,317
Government funding	223,308	1,125	224,433
Fees	270,390	—	270,390
Other funding	1,500	—	1,500
	<u>497,515</u>	<u>1,125</u>	<u>498,640</u>

### 6. Other trading activities

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Fundraising events	<u>1,427</u>	<u>1,427</u>	<u>1,671</u>	<u>1,671</u>

### 7. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Fundraising costs	<u>1,638</u>	<u>1,638</u>	<u>942</u>	<u>942</u>

# Rainbow Pre-School and Extended Services

## Notes to the Financial Statements (continued)

Year ended 31 August 2017

### 8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Provision of pre-school and extended services	389,901	6,355	396,256
Support costs	157,377	1,732	159,109
	<u>547,278</u>	<u>8,087</u>	<u>555,365</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Provision of pre-school and extended services	328,067	1,125	329,192
Support costs	114,749	1,732	116,481
	<u>442,816</u>	<u>2,857</u>	<u>445,673</u>

### 9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2017 £	Total fund 2016 £
Provision of pre-school and extended services	396,256	156,831	553,087	443,423
Governance costs	—	2,278	2,278	2,250
	<u>396,256</u>	<u>159,109</u>	<u>555,365</u>	<u>445,673</u>

### 10. Analysis of support costs

	Provision of pre-school and extended services £	Total 2017 £	Total 2016 £
Governance costs	2,278	2,278	2,250
Management costs	45,702	45,702	39,429
Information technology	12,795	12,795	5,610
Human resources	6,598	6,598	3,062
Other	91,736	91,736	66,130
	<u>159,109</u>	<u>159,109</u>	<u>116,481</u>

### 11. Net (expenditure)/income

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

	2017 £	2016 £
Depreciation of tangible fixed assets	8,449	3,441
Operating lease rentals	<u>2,862</u>	<u>2,295</u>

# Rainbow Pre-School and Extended Services

## Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

### 12. Independent examination fees

	2017 £	2016 £
Fees payable to the independent examiner for: Independent examination of the financial statements and preparation of the financial statements	<u>2,280</u>	<u>2,250</u>

### 13. Staff costs

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

	2017 £	2016 £
Wages and salaries	406,659	340,947
Social security costs	26,519	12,861
Employer contributions to pension plans	<u>1,822</u>	<u>—</u>
	<u>435,000</u>	<u>353,808</u>

The average head count of employees during the year was 26 (2016: 23).

No employee received employee benefits of more than £60,000 during the year (2016: 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 £70,626 (2016:£35,634).

### 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 £40,370 (2016: £35,634) for her role as a director and the charity paid £333 (2016: £nil) 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 (2016: £nil).

# Rainbow Pre-School and Extended Services

## Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

### 15. Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 September 2016	21,694
Additions	7,775
<b>At 31 August 2017</b>	<u>29,469</u>
<b>Depreciation</b>	
At 1 September 2016	3,693
Charge for the year	8,449
<b>At 31 August 2017</b>	<u>12,142</u>
<b>Carrying amount</b>	
<b>At 31 August 2017</b>	<u>17,327</u>
At 31 August 2016	<u>18,001</u>

### 16. Stocks

	2017 £	2016 £
Uniforms for resale	<u>746</u>	<u>154</u>

### 17. Debtors

	2017 £	2016 £
Trade debtors	74,604	29,676
Prepayments and accrued income	—	2,105
Other debtors	138	1,785
	<u>74,742</u>	<u>33,566</u>

### 18. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	692	1,849
Accruals and deferred income	2,280	2,250
Social security and other taxes	5,180	6,696
Other creditors	313	427
	<u>8,465</u>	<u>11,222</u>



# Rainbow Pre-School and Extended Services

## Notes to the Financial Statements (continued)

Year ended 31 August 2017

### 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 £1,822 (2016: £Nil).

### 20. Analysis of charitable funds

#### Unrestricted funds

	At 1 September 2016	Income	Expenditure	At 31 August 2017
	£	£	£	£
General fund	106,806	579,905	(548,916)	137,795

#### Restricted funds

	At 1 September 2016	Income	Expenditure	At 31 August 2017
	£	£	£	£
Kings Reach Setup Fund	3,211	—	(1,732)	1,479
Special Education Needs Funding	—	6,355	(6,355)	—
	3,211	6,355	(8,087)	1,479

In 2015 a grant was received to assist in the setup of the Kings Reach site. This was spent in full in the year of receipt and the only fund movement in the current year is to reflect the depreciation of the fixed assets purchased by the fund.

During the year £6,355 was received for Special Educational Needs provision. The income has been spent in full during the year on childcare staff costs.

### 21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Tangible fixed assets	15,848	1,479	17,327	18,001
Current assets	130,412	—	130,412	103,238
Creditors less than 1 year	(8,465)	—	(8,465)	(11,222)
<b>Net assets</b>	<b>137,795</b>	<b>1,479</b>	<b>139,274</b>	<b>110,017</b>

### 22. Operating lease commitments

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

	2017 £	2016 £
Not later than 1 year	1,099	2,034
Later than 1 year and not later than 5 years	3,791	—
	<b>4,890</b>	<b>2,034</b>

## Rainbow Pre-School and Extended Services

### Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

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#### **23. Related parties**

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

#### **24. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 September 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the year.