

Report of the Trustees and Financial Statements

for the Year Ended 31 August 2022
for Rainbow Hub NW Limited

McMillan & Co LLP Chartered Accountants and Statutory Auditor
28 Eaton Avenue, Matrix Office Park, Buckshaw Village, Chorley, Lancashire, PR7 7NA



**RAINBOW
HUB**

Every day is a life changing day



Rainbow Hub NW Limited

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Rainbow Hub NW Limited

Report from the Chair of the Board of Trustees

for the year ended 31 August 2022

It is our great pleasure to present the latest Rainbow Hub NW Limited Trustee Report and Annual Accounts.

It has been a year of success as service levels exceeded those of pre Covid-19. We have finally been able to remove face masks and children have enjoyed seeing smiling faces once more. We have seen our specialist nursery reach capacity within the first year of opening and enjoyed delivering holiday fun clubs in partnership with Lancashire County Council.

We said goodbye to several longstanding Trustees, and we thank Michelle McWha, Eddie Jones, Paul Maddison and Karen Macpherson for all their hard work and commitment to the Charity over the years. We have welcomed new Trustees who bring experience in health, education, marketing, business and law as well as two parents whose children have been attending Rainbow Hub for a number of years.

Our new Board of Trustees have redeveloped the strategic direction of the Charity. We are very much looking forward to moving on to our next exciting chapter which includes the development of a specialist school for children with movement difficulties and physical disabilities.

Like many charities, our biggest challenge this year has been raising funds. The current economic climate has had an impact on all our income streams, and we anticipate the decline in donations to continue for some time yet. However, we were still able to host several successful fundraising events and we remain more grateful than ever to all those who support our work. We could not do what we do without the generosity of others, those who attend our events, host events of their own, throw themselves out of a plane or volunteer their time in classrooms or to keep our grounds looking great and to all those people we give our heartfelt thanks.

This report highlights some of our key achievements from the last year but the thing we are most proud of is the children and families of Rainbow Hub. The children all face challenges of their own yet week after week they come to Rainbow Hub and engage in therapy with strength and determination. We never put a ceiling on their learning and every day we see them achieve new skills.

Rainbow Hub is an amazing place, filled with joy, happiness, courage and hope and a place that we are both proud and delighted to be a part of.

Best wishes,



Bill Ainscough (Chairman)



Rainbow Hub NW Limited

Report of the Trustees

for the year ended 31 August 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of 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).

Rainbow Hub NW Limited is a Charitable Company Limited by Guarantee employing 22 staff (a mixture of full and part time staff) and supporting over 135 families.

Rainbow Hub NW Limited works to the shortened name of Rainbow Hub.

Rainbow Hub was established in direct response to the needs of parents of disabled children. The service has grown in both scope and scale offering an increasing range of services to increased numbers of children and young people.



Objectives and Activities

Our purpose and aims



Our purpose

Rainbow Hub improves the lives of children and young people with neuro disabilities and their families.



Our Vision

To enable as many disabled children and young people as possible to fulfil their potential and to reduce the stress and isolation in families.



How we achieve this

Rainbow Hub offers a range of services and support in a purpose-built, supportive and welcoming environment.



Conductive Education

Our Conductive Education sessions teach children and young people with movement disorders to develop greater bodily control. Not only improving motor skills and function, Conductive Education also looks at development as a whole, including social, emotional and intellectual aspects. The focus is on active learning, where everyday tasks are broken down into small, achievable steps and the skills they learn help them to be more independent. Children attend each week for their Conductive Education group session. Groups are structured accordingly to age and abilities to ensure that all children are working to similar goals.



Holiday Clubs

For four weeks of the school holidays Rainbow Hub is a provider of Short Breaks, commissioned by Lancashire County Council. Children are with us from 10 am until 4 pm and during that time they have a lot of fun whilst their parents enjoy much needed respite.

Objectives and Activities

Our purpose and aims



Specialist Nursery

Many children with special educational needs and disabilities are denied the opportunity to access nursery provision. Rainbow Hub Nursery is an early childhood special education service which aims to give children aged 2 to 5 years the opportunity to develop, be happy and make friends with other children who have similar challenges. Children have access to a variety of therapeutic services. With highly trained, empathetic staff experienced in supporting children with physical and learning difficulties, working in high ratios we offer a more flexible approach to learning which is tailored to each child's specific needs.



Communication Support

This service is relatively new to Rainbow Hub and has been developed as a result of the passion of our staff and the demand for communication support during lockdown. Children and parents are encouraged to work together to develop their communication. Support is also available within the Conductive Education and nursery sessions.

Family Support

Caring for a disabled child has a profound effect on the whole family and a very important part of our work is supporting the child and their family. We have a dedicated Parent Support Worker who can offer our families both emotional and practical support which could be anything from lending an ear or filling out benefit forms, to finding help with Education and Health Care Plans or going along to medical appointments and school meetings. We also hold around family days throughout the year, from exciting trips to the zoo and Winter Wonderlands, to fun family get-togethers at Rainbow Hub itself these events enable families to come together and have fun.



Public benefit statement

Rainbow Hub works for the public benefit through its work delivering a range of education, enablement and support services to disabled children and young people and their families. The Trustees have complied with their duty to note and pay due regard to public benefit guidance published by The Charity Commission. The Trustees are committed to ensuring the Charity remains responsive to, and respectful of, the diverse needs of those with disabilities and their families and the local community, enabling families to pursue ordinary lives and to see their disabled family member achieve their full potential.

Strategic Report

Achievement and performance | Charitable activities

Our Performance



Strategic Report

Achievement and performance | Charitable activities

The Difference We Have Made

83

children have learned new skills in Conductive Education



6

children have learned to walk independently

5

children have learned to walk with a mobility aid

4

children have learned to sit independently

4

children have learned to get dressed by themselves

10

children are now able to negotiate obstacle courses that involve a lot of balance and co-ordination

5

children have learned to stand on their own two feet independently



3

children have gone from being unable to weight bear to walking



5

We have helped families to successfully complete their benefit claim forms and be awarded Disability Living Allowance

Strategic Report

Achievement and performance | Charitable activities

Our Strategic Aims

Last year we set out several strategic aims and have made great progress since then.



What we said we'd do

Developing a new three-year business plan.

Open a nursery specialising in the care and support of children with special educational needs and disabilities.

Increasing our marketing communications to ensure we reach more families.

Developing links with the NHS, local authorities and other organisations.

Developing our outdoor space into a fun and exciting place for everyone to enjoy.



What we've done

Trustees have developed an ambitious three-year plan that will see growth in several areas across the Charity.

The nursery opened in October 2021 and now has 22 children registered.

We developed a dedicated marketing team chaired by Trustee, Jim Smith. We have attended several health and social care networking events. We have created a new corporate 'look' that better reflects the caring and professional organisation we are.

We have made links with several Local Authorities including Lancashire, Sefton and Wigan. We now have several links with NHS departments. More recently we have partnered with Derian House Children's Hospice which has allowed for a mutual sharing of facilities.

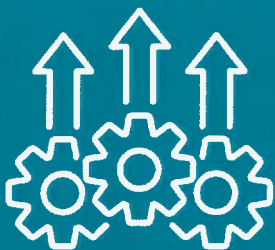
The development of the outdoor space has become part of the business plan and will be created as part of the school project.

Strategic Report

Achievement and performance | Charitable activities

Our Strategic Aims

As we move into the next exciting chapter, we have developed a set of strategic aims to facilitate growth and secure sustainable income for Rainbow Hub:



Operational

We aim to reach more families and support more children within each of our services

We aim to develop a third nursery room to meet demand

We aim to develop a specialist school that can meet the needs of children with physical disabilities and difficulties with movement



Fundraising

We aim to develop additional sustainable income streams

We will increase the number of lottery players and those making monthly donations

We will build on established events to generate additional income

We will be innovative in generating additional income



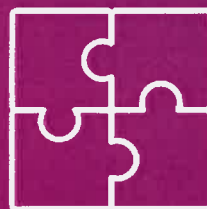
Digital

We will find new, more effective ways of communicating with our families

We will improve our website functionalities and performance

We will generate more income and raise the profile of the charity through better use of social media platforms

We will advertise through Google using Google Ads grant funding



Partnership

We will develop partnerships with other local charities and organisations like ours

We will increase referrals from health and social care professionals

We will develop our relationship with Local Authorities

We will work more closely with our families to ensure we continue to meet the needs of the community we serve

Strategic Report

Financial review | Financial position

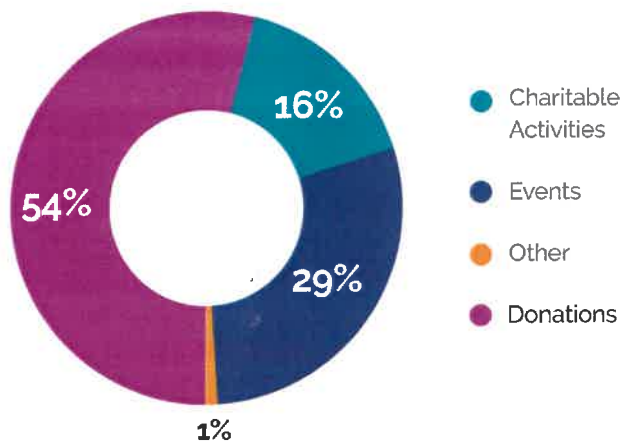
The year has been a huge success in terms of service delivery, but we found it to be a challenging year in terms of raising funds. As the world deals with the aftermath of the Covid pandemic and enters into a cost of living crisis, many charities, including Rainbow Hub, are seeing a decline in donations.

With that being said, we are still amazed by the support we have received. Despite everything, many people have given generously to help our children and families. We are especially grateful to our major donors and grant funders and to all those that took part in our events this year.

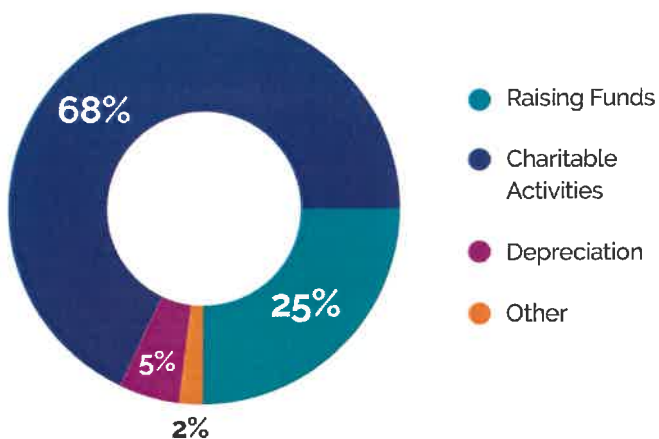
Although we ended the year on a deficit of £89,722 (2021: surplus £247,226), £68,445 of that was expenditure associated with the costs of setting up Rainbow Hub Nursery from a restricted donation made during the previous financial year.

The cash balances as at 31 August 2022 were £430,892 (2021: £586,158) and the closing net assets were £1,186,347 (2021: £1,276,069).

How we raised the money



How we spent the money



Strategic Report

Financial review | Financial position

It is the policy of the Charity to maintain unrestricted funds, adjusted for the property value less the associated borrowings, at a minimum level which equates to approximately three months unrestricted expenditure. This provides sufficient funds to cover management, administration, and support costs and to deliver services whilst applications for emergency funds are made.

The Trustees review this policy on an annual basis.

Last year, we were fortunate enough to benefit from the vast amount of Covid-19 emergency funding and we ended the year with a surplus far exceeding the levels seen in previous years. This year, as anticipated, we were unable to secure sufficient funds to cover expenditure and as such the level of free reserves has depleted. Although the level of reserves is in line with policy, fundraising is becoming increasingly difficult, so we anticipate a further reduction in our level of free reserves.

Principal risks and uncertainties

Effective risk management is also key to successfully delivering our strategy and developing Rainbow Hub for a sustainable future.

The Trustees of Rainbow Hub ensure there is an up to date Risk Register and Risk Management Framework covering principle risks and uncertainties facing the Charity and focuses on key areas of finance; funding; management; governance; compliance; services; health and safety and safeguarding.

Identification of risk is delegated to the Chief Executive and senior leadership team who report risk management to Trustees for review and approval.

Principle risks and mitigating factors this year were:

Financial Security

Given the challenging economic climate, we anticipated a reduction in fundraising income. We shifted our focus onto the more challenging income streams and developed new, innovative ways of securing income. In addition, we ensured that nursery places were filled to generate income from the

Local Authority, and we were commissioned to deliver holiday fun clubs. When considering risk, we were satisfied that we had sufficient levels of free reserves to fund any shortfall. We strengthened our marketing and communications by developing a dedicated marketing team utilising the skills of existing staff. We also employed an additional community fundraiser to engage new stakeholders.

Ability to deliver our strategy

None of us foresaw the disruption and devastation brought on by Covid-19. Like many other charities, our strategic plans shifted to meet the needs of our community during that very challenging time. Thankfully, this year we were able to resume our services and develop new ones. We have developed a rather ambitious strategy to open an independent school and with that there are many associated risks. We believe that we now have a specialist multidisciplinary team to take that plan forward and have secured pledges of support to ensure that sufficient capital investment is raised. However, we are aware that Covid-19 still presents a real risk to some of our beneficiaries and that we must proceed with caution.

Finding the right team

Conductive Education originated in Hungary and many of the qualified therapists are Hungarian. Brexit and Covid-19 have resulted in difficulties in recruiting specialist staff. To mitigate this, we have made the decision to invest in existing staff, supporting them in their career progression and providing in-house training. We now have two student Conductors who are undertaking their degree in Conductive Education, our Lead Conductors has completed her Masters in Conductive Education and five of our classroom assistants are now completing their Level Conductive Education Assistant course. Although this does not provide a short-term solution, it is a long-term investment to ensure that Rainbow Hub is able to develop an experienced therapy team who are firmly invested in our work.

Structure, Governance and Management

Governing document

The Charity is controlled by its Governing Document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Charity is governed by its Memorandum and Articles of Association with the activities of the organisation being entrusted to a Board comprising of at least three Trustees. The Trustees are drawn from different backgrounds both in business and as parents of children with disabilities, bringing a broad range of skills, experience and knowledge to Board deliberations.

New Trustees are appointed by resolution of the Trustees, in accordance with the provisions of the Articles of Association. All new Trustees appointed in the year are familiarised with their statutory responsibilities, their role as Board members, the governance framework within Rainbow Hub, the work of the Charity and the risk environment. Ongoing training is arranged as and when identified.

Organisational structure

The Board of Trustees meets quarterly to set the direction and oversee the management and delivery of services. They delegate day to day management to the Chief Executive. Staff are periodically invited to attend Board meetings to present on their areas of work thus enhancing relationships between staff and Trustees and for Trustees to learn more about our services from those delivering them.

Trustees meet quarterly and review Key Performance Indicators. They sign off an annual financial budget and review progress against it through detailed management accounts.

A Management Board meets monthly and has delegated responsibility with clear terms of reference. Comprising of the Chair of Board of Trustees, the Chief Executive, the Office Manager and at least one other Trustee the Management Board supports the Chief Executive with day to day management. Meetings are also attended by our Senior Management Team, namely our Lead Conductor, Nursery Manager and Head of Fundraising.

Decision making

The Chief Executive works closely with the Senior Management Team who meet on a weekly basis. These meetings help inform the strategic direction and ensure effective management of the organisation. Close monitoring of services and finances and enable the Chief Executive to raise any relevant issues with the Board at the earliest opportunity.

There are clear lines of authority throughout the organisation with the Senior Management Team being accountable for staff in their department.



Reference and Administrative Details

Registered Company number

06725399 (England and Wales)

Registered Charity number

1127498

Registered office

Rainbow Hub
Salt Pit Lane
Mawdesley
Ormskirk
Lancashire
L40 2QX

Trustees

W Ainscough (Chairperson)
KM Abbott (Treasurer)
GE Jones (resigned 20/12/2021)
KL Macpherson (resigned 21/12/2021)
P Maddison (resigned 21/12/2021)
M Mcwha (resigned 29/9/2021)
PJ Holmes
LA Farrant
A Farrell
J Smith (appointed 20/9/2021)
ME Carter (appointed 20/12/2021)
RE Fairclough (appointed 20/12/2021)
MJ Price (appointed 20/9/2022)
H Wellerd (appointed 20/12/2021)
(resigned 20/9/2022)

Key Management

L Fahey (Chief Executive)
K Williams (Office Manager)
J Ashcroft (Lead Conductor)
K Nelson (Head of Fundraising)
K Plumb (Nursery Manager)

Auditors

McMillan & Co LLP
Chartered Accountants and
Statutory Auditor
28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Bankers

Barclays Bank plc
38 Fishergate
Preston
PR1 2AD

National Westminster Bank plc
46 Market Street
Chorley
Lancashire
PR7 2RZ



Statement of Trustees' Responsibilities



The trustees (who are also the directors of Rainbow Hub NW Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which 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.

In so far as the trustees are aware:

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

Auditors

The auditors, McMillan & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 19 December 2022 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'KM Abbott', written over a horizontal line.

KM Abbott - Trustee

Report of the Independent Auditors

to the Members of Rainbow Hub NW Limited

Opinion

We have audited the financial statements of Rainbow Hub NW Limited (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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.

Report of the Independent Auditors

to the Members of Rainbow Hub NW Limited

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors

to the Members of Rainbow Hub NW Limited

Our 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 a Report of the Independent Auditors 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 company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- 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 company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud 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; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions.



Report of the Independent Auditors

to the Members of Rainbow Hub NW Limited

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;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, 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 members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil McMillan FCA (Senior Statutory Auditor)
for and on behalf of McMillan & Co LLP
Chartered Accountants and Statutory Auditor
28 Eaton Avenue, Matrix Office Park, Buckshaw Village
Chorley, Lancashire, PR7 7NA

Date: 25 January 2023



Statement of Financial Activities

for the year ended 31 August 2022

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
Income and endowments from					
Donations	2	217,251	63,427	280,678	578,563
Charitable activities					
Charitable activities		96,914	-	96,914	-
Events	3	151,944	-	151,944	84,217
Investment income	4	700	-	700	77
Other income		-	-	-	18,479
Total		466,809	63,427	530,236	681,336
Expenditure on					
Raising funds	6	157,648	-	157,648	123,392
Charitable activities					
Charitable activities	7	281,283	134,410	415,693	259,632
Depreciation		33,677	-	33,677	34,840
Other		12,940	-	12,940	16,246
Total		485,548	134,410	619,958	434,110
Net income/(expenditure)		(18,739)	(70,983)	(89,722)	247,226
Reconciliation of funds					
Total funds brought forward		1,176,091	99,978	1,276,069	1,028,843
Total funds carried forward		1,157,352	28,995	1,186,347	1,276,069

The notes form part of these financial statements

Balance Sheet

31 August 2022

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
Fixed Assets					
Tangible assets	13	1,154,246	-	1,154,246	1,171,021
Current Assets					
Debtors	14	53,023	-	53,023	16,463
Cash at bank and in hand		401,897	28,995	430,892	586,158
		454,920	28,995	483,915	602,621
Creditors					
Amounts falling due within one year	15	(110,821)	-	(110,821)	(122,282)
Net Current Assets		344,099	28,995	373,094	480,339
Total Assets less Current Liabilities		1,498,345	28,995	1,527,340	1,651,360
Creditors					
Amounts falling due after more than one year	16	(340,993)	-	(340,993)	(375,291)
Net Assets		1,157,352	28,995	1,186,347	1,276,069
Funds					
Unrestricted funds	20			1,157,352	1,176,091
Restricted funds				28,995	99,978
Total funds				1,186,347	1,276,069

The notes form part of these financial statements

The financial statements were approved by the Board of Trustees and authorised for issue on 19 December 2022 and were signed on its behalf by:



KM Abbott - Trustee

Cash Flow Statement

for the year ended 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(89,562)	313,559
Interest paid		(12,204)	(12,739)
Net cash (used in)/provided by operating activities		(101,766)	300,820
Cash flows from investing activities			
Purchase of tangible fixed assets		(16,902)	(5,359)
Interest received		700	77
Net cash used in investing activities		(16,202)	(5,282)
Cash flows from financing activities			
Mortgage repayments in year		(37,298)	(36,952)
Net cash used in financing activities		(37,298)	(36,952)
Change in cash and cash equivalents in the reporting period		(155,266)	258,586
Cash and cash equivalents at the beginning of the reporting period		586,158	327,572
Cash and cash equivalents at the end of the reporting period		430,892	586,158

The notes form part of these financial statements

Notes to the Cash Flow Statement

for the year ended 31 August 2022

1. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(89,722)	247,226
Adjustments for:		
Purchase of tangible fixed assets	33,677	34,840
Interest received	(700)	(77)
Purchase of tangible fixed assets	12,204	12,739
Interest received	(36,560)	18,878
Interest received	(8,461)	(47)
Net cash used in financing activities	(89,562)	313,559

2. Analysis of changes in net funds

	At 1/9/21 £	Cash flow £	At 31/8/22 £
Net cash			
Cash at bank and in hand	586,158	(155,266)	430,892
Total	586,158	(155,266)	430,892
Debt			
Debts falling due within 1 year	(40,000)	3,000	(37,000)
Debts falling due after 1 year	(375,291)	34,298	(340,993)
	(415,291)	37,298	(377,993)
Total	170,867	(117,968)	52,899

The notes form part of these financial statements

Notes to the Financial Statements

for the year ended 31 August 2022

1. Accounting Policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Rainbow Hub NW Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recorded at historical cost unless otherwise stated in the relevant accounting policy note(s).

The presentational currency of the charity is pound sterling (£) and the amounts in the financial statements have been rounded to the nearest £1.

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

Going concern

The financial statements have been prepared on the going concern basis on the Trustees' assumption that the Charity will continue to meet its obligations as they fall due. This depends on the Charity's ability to raise sufficient finance to fund its unrestricted operations. Due to the nature of the Charity's income, much of which is received from public donations, it is difficult to forecast a large proportion of the income with any degree of certainty. Current cash flow forecasts, prepared by the Trustees indicate that the Charity has operational funds for the next twelve months from the balance sheet date. The Trustees have taken steps to increase income, and reduce expenditure and are therefore confident that sufficient funds will be raised to enable the Charity to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Expenditure

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,
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

Notes to the Financial Statements - continued

for the year ended 31 August 2022

1. Accounting Policies - continued

Company status

The Charity is a company limited by guarantee. The directors of the company are the trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per director of the charity.

Government grants

The CJRS grant (furlough) was a government grant accounted for under the accruals model. Where the grant was classed as revenue, it was recognised in income on a systematic basis over the periods in which the company recognised the related costs.

Allocation and apportionment of costs

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. Shared costs are apportioned between the activities they contribute to on a reasonable, justified and consistent basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property -
2% on cost

Fixtures and fittings -
33% on cost and 10% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

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.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Notes to the Financial Statements - continued

for the year ended 31 August 2022

2. Donations

	2022 £	2021 £
Donations and gifts	193,800	262,339
Trusts and grants	86,878	316,224
	280,678	578,563
Grants received, included in the above, are as follows:		
Steve Morgan Foundation	21,314	53,004
General	8,764	3,916
Donation for Early Years Provision	-	70,000
UK Heart Foundation	3,000	5,000
The Garfield Western Foundation	-	50,000
HSBC - Active Movement Room	-	613
Proven Trust	300	-
The National Lottery Community Fund	10,000	-
Clear Marketing	-	1,042
The Casey Trust	-	1,500
Souter Charitable Trust Donation	-	3,000
The Barbara Ward Foundation	-	6,000
Laing Investment Management	-	10,000
The Halsall Foundation	15,000	15,000
The Holroyd Foundation	18,000	18,000
Peter Lathom Charity	-	750
The Grace Trust	-	1,000
The Mark Benevolent Fund	-	2,000
Harold & Alice Bridges Charitable Trust	-	1,000
The Postcode Lottery	-	20,000
Red rose charitable trust	1,000	1,000
The Alchemy Foundation	-	500
The Rank foundation	-	25,000
The Hobson Charity	-	995
D'Oyly Carte Charitable Trust	3,000	3,000
The Anton Jurgen Trust	-	4,000
St James's Place Charitable Foundation	-	2,500
B&Q Donation For Outdoor Sensory Garden	-	5,000
Skelton Charitable Trust	1,500	-
Hemby Charitable Trust	2,000	-
Cadent Foundation	3,000	-
Total	86,878	316,224

Notes to the Financial Statements - continued

for the year ended 31 August 2022

3. Events	2022 £	2021 £
Annual Balls	117,848	68,430
Ramble	15,703	9,983
Workoutathon	2,801	1,834
Others	15,592	3,970
Total	151,944	84,217

4. Investment income	2022 £	2021 £
Deposit account interest	700	77

5. Income from charitable activities	2022 £	2021 £
Nursery fees	50,828	-
Registration fees	22,678	-
Fun clubs	23,408	-
Total	96,914	-

6. Raising funds	2022 £	2021 £
Staff costs	98,270	88,124
Advertising and promotion	1,081	5,564
Fundraising events	39,193	12,866
Support costs	19,104	16,838
Total	157,648	123,392

7. Charitable activities costs	Direct Costs £	Support costs (see note 8) £	Totals £
Charitable activities	361,013	54,680	415,693
Depreciation	33,677	-	33,677
Total	394,690	54,680	449,370

Notes to the Financial Statements - continued

for the year ended 31 August 2022

8. Support costs

	Management £	Other £	Governance costs £	Totals £
Raising donations and legacies	12,234	5,065	1,805	19,104
Other resources expended	12,940	-	-	12,940
Charitable activities	24,641	17,733	12,306	54,680
Total	49,815	22,798	14,111	86,724

9. Net income/(expenditure)

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

	2022 £	2021 £
Auditors' remuneration	1,250	1,200
Depreciation - owned assets	33,677	34,840

10. Trustees' remuneration and benefits

The Charity is a company limited by guarantee. The directors of the company are the trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per director of the charity.

11. Staff costs

	2022 £	2021 £
Wages and salaries	391,682	272,770
Social security costs	25,823	11,165
Other pension costs	7,149	-
Total	424,654	283,935

The average monthly number of employees during the year was as follows:

	2022	2021
Generating voluntary income	4	4
Charitable activities	16	10
Support	2	2
Total	22	16

No employees received emoluments in excess of £60,000.

Notes to the Financial Statements - continued

for the year ended 31 August 2022

12. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted fund £	Total fund £
Income and endowments from			
Donations	377,089	201,474	578,563
Events	84,217	-	84,217
Investment income	77	-	77
Other income	18,479	-	18,479
Total	479,862	201,474	681,336
Expenditure on			
Raising funds	123,392	-	123,392
Charitable activities			
Charitable activities	152,536	107,096	259,632
Depreciation	34,840	-	34,840
Other	16,246	-	16,246
Total	327,014	107,096	434,110
Net income	152,848	94,378	247,226
Reconciliation of funds			
Total funds brought forward	1,023,243	5,600	1,028,843
Total funds carried forward	1,176,091	99,978	1,276,069

Notes to the Financial Statements - continued

for the year ended 31 August 2022

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Totals £
Cost			
At 1 September 2021	1,200,596	430,280	1,630,876
Additions	-	16,902	16,902
At 31 August 2022	1,200,596	447,182	1,647,778
Depreciation			
At 1 September 2021	177,470	282,385	459,855
Charge for year	16,012	17,665	33,677
At 31 August 2022	193,482	300,050	493,532
Net book value			
At 31 August 2022	1,007,114	147,132	1,154,246
At 31 August 2021	1,023,126	147,895	1,171,021

14. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	23,571	150
Prepayments and accrued income	29,452	16,313
Total	53,023	16,463

Notes to the Financial Statements - continued

for the year ended 31 August 2022

15. Creditors: amounts falling due within one year	2022 £	2021 £
Mortgage (see note 17)	37,000	40,000
Trade creditors	19,928	19,261
Social security and other taxes	8,752	5,391
Accruals and deferred income	45,141	57,630
Total	110,821	122,282

16. Creditors: Amounts falling due after more than one year	2022 £	2021 £
Mortgage (see note 17)	340,993	375,291

The mortgage is repaid at a quarterly amount of £4,108 and attracts interest at 2.7% per annum over the official Bank of England Base Rate.

17. Loans	2022 £	2021 £
An analysis of the maturity of loans is given below:		
Amounts falling due within one year on demand:		
Mortgage	37,000	40,000
Amounts falling between one and two years:		
Mortgage - 1-2 years	37,000	40,000
Amounts falling due between two and five years:		
Mortgage - 2-5 years	111,000	120,000
Amounts falling due in more than five years:		
Repayable by instalments: Mortgage due over 5 years	192,993	215,291

Notes to the Financial Statements - continued

for the year ended 31 August 2022

18. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:	2022 £	2021 £
Within one year	7,039	6,336
Between one and five years	4,795	7,422
Total	11,834	13,758

19. Secured debts

The following secured debts are included within creditors:	2022 £	2021 £
Mortgage	377,993	415,291

The mortgage is secured by a fixed charge over the property of the Charity.

20. Movement in funds

	At 1/9/21 £	Net movement in funds £	At 31/8/22 £
Unrestricted funds			
General fund	1,176,091	(18,739)	1,157,352
Restricted funds			
Family Days	-	1,600	1,600
Active Movement Room	3,213	(3,213)	-
The Outdoor Sensory Garden	8,000	(3,605)	4,395
Marketing Project	16,320	(6,320)	10,000
Early years provision	68,445	(68,445)	-
Nursery wages	4,000	(4,000)	-
Hardship Fund	-	10,000	10,000
Communication equipment	-	3,000	3,000
	99,978	(70,983)	28,995
Total funds	1,276,069	(89,722)	1,186,347

Notes to the Financial Statements - continued

for the year ended 31 August 2022

20. Movement in funds - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	466,809	(485,548)	(18,739)
Restricted funds			
Family Days	1,600	-	1,600
Support for Families in Merseyside and Cheshire	23,614	(23,614)	-
Active Movement Room	-	(3,213)	(3,213)
CE Salary support	10,000	(10,000)	-
The Outdoor Sensory Garden	3,813	(7,418)	(3,605)
Marketing Project	10,000	(16,320)	(6,320)
Early years provision	-	(68,445)	(68,445)
Nursery wages	1,400	(5,400)	(4,000)
Hardship Fund	10,000	-	10,000
Communication equipment	3,000	-	3,000
	63,427	(134,410)	(70,983)
Total funds	530,236	(619,958)	(89,722)

Notes to the Financial Statements - continued

for the year ended 31 August 2022

20. Movement in funds - continued

Comparatives for movement in funds

	At 1/9/20 £	Net movement in funds £	At 31/8/21 £
Unrestricted funds			
General fund	1,023,243	152,848	1,176,091
Restricted funds			
Active Movement Room	2,600	613	3,213
The Outdoor Sensory Garden	3,000	5,000	8,000
Marketing Project	-	16,320	16,320
Early years provision	-	68,445	68,445
Nursery wages	-	4,000	4,000
	5,600	94,378	99,978
Total funds	1,028,843	247,226	1,276,069

Notes to the Financial Statements - continued

for the year ended 31 August 2022

20. Movement in funds - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	479,862	(327,014)	152,848
Restricted funds			
Contribution towards iKan Standing Brace	1,995	(1,995)	-
Support for Families in Merseyside and Cheshire	53,004	(53,004)	-
Active Movement Room	613	-	613
CE Salary support	20,000	(20,000)	-
The Outdoor Sensory Garden	5,000	-	5,000
Covid 19	25,000	(25,000)	-
Marketing Project	17,362	(1,042)	16,320
Communication sessions	1,500	(1,500)	-
CE Sessions for 5 children	3,000	(3,000)	-
Early years provision	70,000	(1,555)	68,445
Nursery wages	4,000	-	4,000
	201,474	(107,096)	94,378
Total funds	681,336	(434,110)	247,226

Notes to the Financial Statements - continued

for the year ended 31 August 2022

21. Related party disclosures

Donations totalling £36,251 (2021: £170,000) were made by Trustees to the Charity. No conditions were attached to these donations.

Donations totalling £15,493 (2021: £nil) were made to the Charity by organisations in which Trustees are directors. No conditions were attached to these donations.

22. Restricted funds

Restricted funds are to be applied as follows:

Restricted Fund - Family Days Out

This is a new fund set up in the year and is for providing family days at the centre. The amount held in this fund as at 31 August 2022 was £1,600 (2021: £nil).

Restricted Fund - Active Movement Room

This fund is to provide capital contribution towards the active movement room. The amount held in this fund as at 31 August 2022 was £nil (2021: £3,213).

Restricted Fund - The Outdoor Sensory Garden

This fund is to provide support towards the cost of creating the Outdoor sensory garden. The amount held in this fund as at 31 August 2022 was £4,395 (2021: £8,000).

Restricted Fund - Marketing Project

This fund is to provide support towards the marketing costs of the Charity. The amount held in this fund as at 31 August 2022 was £10,000 (2021: £16,320).

Restricted Fund - Early Years Provision

This fund is for the provision of a new nursery. Its purpose is to provide an early years service for children with therapeutic needs whose parents require respite or work. The amount held in this fund as at 31 August 2022 was £nil (2021: £68,445).

Restricted Fund - Early Years Staff

This fund is for providing staff for the Early Years Project. The amount held in this fund as at 31 August 2022 was £nil (2021: £4,000).

Restricted Fund - Hardship Fund

This is a new fund set up in the year and is for providing financial support to families in need. The amount held in this fund as at 31 August 2022 was £10,000 (2021: £nil).

Restricted Fund - Communication equipment

This is a new fund set up in the year and is for providing communication aides for the children. The amount held in this fund as at 31 August 2022 was £3,000 (2021: £nil).