

**THE RAINBOW CENTRE FOR CONDUCTIVE
EDUCATION LTD**

(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th JUNE 2017

Charity Number 1096603

taylorcocks

3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
PO6 3TH

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2017

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THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

TRUSTEES ANNUAL REPORT

YEAR ENDED 30th JUNE 2017

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30th June 2017.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	The Rainbow Centre for Conductive Education Ltd
Charity registration number	1096603
Company registration number	04465743
Registered office	The Bradbury Building Palmerston Drive Fareham Hampshire PO14 1BJ

THE TRUSTEES	Mr G. Morgan	Chairman (Resigned 24th July 2017)
	Mr M. Palethorpe	(Resigned 24th July 2017)
	Mrs P. Barnes	Chairman (Appointed 25th July 2017)
	Mrs A. Snell	(Resigned 25th September 2017)
	Mrs L. Johnson	(Resigned 22nd May 2017)
	Mr S. Lambert	
	Mr P. Sams	
	Mr J. Natt	
	Mr I. Grant	(Appointed 7th June 2017)
	Mr C. Slaughter	(Appointed 7th June 2017)
	Mr K. Briscoe	(Appointed 1st May 2017)

Parent Board Representative	Mrs A. Snell	(Resigned 25th September 2017)
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Chief Executive	Mrs L. Bull
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Auditor	Taylorcocks Chartered Accountants & Statutory Auditors 3 Acorn Business Centre Northharbour Road Portsmouth PO6 3TH
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Bankers	HSBC Bank plc 165 High Street Southampton SO14 2NZ
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Solicitors	Coffin Mew 1000 Lakeside North Harbour Portsmouth PO6 3EN
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THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

TRUSTEES ANNUAL REPORT

YEAR ENDED 30th JUNE 2017

The Trustees present their report and the audited financial statements of the charity for the year ended 30th June 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Mr G. Morgan	Chairman (Resigned 24th July 2017)
Mr M. Palethorpe	(Resigned 24th July 2017)
Mrs P. Barnes	Chairman (Appointed 25th July 2017)
Mrs A. Snell	(Resigned 25th September 2017)
Mrs L. Johnson	(Resigned 22nd May 2017)
Mr S. Lambert	
Mr P. Sams	
Mr J. Natt	
Mr I. Grant	(Appointed 7th June 2017)
Mr C. Slaughter	(Appointed 7th June 2017)
Mr K. Briscoe	(Appointed 1st May 2017)

CHAIRMAN'S REPORT

The period covered by this report is the year to 30 June 2017. During the year under review the Rainbow Centre ("the Centre") has pushed forward with its plans to increase its reach into the community by way of further implementation of its growth strategy.

The Centre has continued to deliver a caring and professional service through its dedicated service team.

RESULTS

The Centre has generated total funds of some £912,947 (2016 £704,465) and has spent £812,981 (2016 £789,989) resulting in a surplus of the year of £99,966 (2016 Deficit £85,524). Whilst the 2017 result can be viewed as pleasing it is only right that it is viewed in conjunction with the deficit for 2016 and when both years are viewed as a whole a surplus of £14,442 has been achieved.

During the year under review we were delighted to be named in the will of a deceased adult patient of the Centre and receive a substantial legacy.

It is noteworthy that following the effort to refresh the Centre's shops income from this source has grown year on year and that the hard work of the fundraising team has resulted in an increase in funding from trusts and foundation. The success of the fundraising team in obtaining funding from trusts and foundations should be recognised and our ability on occasions to access multiyear funding provides a degree of certainty affording a degree of comfort in setting budgets for growth. It is, however, still true to say that whilst known income as a percentage of total required is increasing the challenge still exists year on year to generate the majority of the funds needed to deliver the Centre's core services.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

TRUSTEES ANNUAL REPORT

YEAR ENDED 30th JUNE 2017

The Rainbow Centre receives minimal Government financial support and this means that all of our funds must be generated in the Private Sector and from individual donations. It is imperative that we have a variety of income streams. We continue to strive to increase regular (known) income via Fees, Shops, Regular Giving, and the 100 club (an initiative whereby we request organisations for donations on a monthly basis).

RISK MANAGEMENT

The directors (essentially the board of trustees) meet regularly throughout the year to review the performance of the Centre both financial and operational with a view to the mitigation of risk.

THE BOARD

During the year under review, there have been a number of changes in personnel who make up the Board and I would like to thank Gareth Morgan, Martin Palethorpe, Alice Snell and Laura Johnson for their service to the Centre and welcome our new board members Iain Grant, Clive Slaughter and Kevin Briscoe.

The Board has a good mix of skills essential for the running of the charity and we have identified additional areas where we would like to recruit board members with additional skill sets, principally in the areas of education and health.

THE ORGANISATION

During 2016/17 we supported 54 children and young people with cerebral palsy and other motor disorders. We provided 739 group sessions and 75 individual sessions. As a part of our early Intervention Unit we ran School for Parents sessions for those children under the age of three. We also ran sessions in our Special Needs Nursery 5 days a week as well as School Booster sessions designed for children of early school age.

In 2016/17 we increased the number of adults being supported to 63. We also increased the number of adult sessions in that we were able to run: 4 stroke groups, 7 Parkinson's groups and 3 MS groups and 8 individual sessions per fortnight. Additionally, we run 2 adult cerebral palsy groups per month. Over the course of the year we provided a total of 204 group sessions and 76 individual sessions.

Between the children and adults, we ran 1,194 sessions during the year and had an 8% increase in the number of service users that we helped throughout the year.

We simply would not be able to function were it not for our Volunteers. In addition to paid staff we now have the services of 67 volunteers without whom we could not deliver the services we strive to provide and I would like to thank them for all their efforts on behalf of the Centre.

OUR VISION

To be recognised as a UK Centre of Excellence, helping people with neurological conditions across our region at all key stages of their life.

OUR MISSION

To transform the lives of people who have a neurological condition enabling them to become as independent as possible so that they and their families can enjoy life to the full.

OUR VALUES

Caring, Teamwork, Excellence, Enabling and Inspiring

SUMMARY

The Centre continues to deliver a caring professional service to all those who it supports. Our financial position has improved over the previous year and as at year end we have approximately 4 months running costs in cash reserves across both the restricted and unrestricted operations of the Centre and we remain focussed on improving the sustainable income in a period of planned growth.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

TRUSTEES ANNUAL REPORT

YEAR ENDED 30th JUNE 2017

ACKNOWLEDGEMENTS

Special thanks are due to Taylorcocks for the professionalism and support preparing these accounts and supplying audit services.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of The Rainbow Centre For Conductive Education Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 charity'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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

TRUSTEES ANNUAL REPORT

YEAR ENDED 30th JUNE 2017

AUDITOR

Taylorcocks have been re-appointed as auditors for the ensuing year in accordance with section 485 of the Companies Act 2006.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
The Bradbury Building
Palmerston Drive
Fareham
Hampshire
PO14 1BJ

Signed by order of the trustees

A handwritten signature in black ink, appearing to read 'P. Barnes', written in a cursive style.

P. Barnes
Chairman of Trustees

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

YEAR ENDED 30th JUNE 2017

OPINION

We have audited the financial statements of The Rainbow Centre for Conductive Education Ltd (the 'charitable company') for the year ended 30 June 2017 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard *102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 other information comprises the information included in the Trustees' Annual Report. The trustees are responsible for the other information. 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 and form of assurance conclusion thereon.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD**

YEAR ENDED 30th JUNE 2017

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 Trustees' Annual Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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 and proper 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; or
- the trustees 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 Trustees' Annual Report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement [set out on pages 7-8], 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.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD *(continued)*

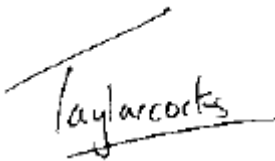
YEAR ENDED 30th JUNE 2017

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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 auditors' 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 company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Blake ACA (Senior Statutory Auditor)

For and on behalf of

taylorcocks

Statutory Auditor

Office: Portsmouth

Date: 30/6/2018

Taylorcocks is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30th JUNE 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
INCOMING RESOURCES					
Donations, legacies and raising funds	2	675,090	136,979	812,069	611,527
Investment income	3	937	-	937	1,437
Charitable activities	4	99,941	-	99,941	91,501
TOTAL INCOMING RESOURCES		775,968	136,979	912,947	704,465
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising costs	5	(204,117)	(7,473)	(211,590)	(201,797)
Shop costs	5	(97,954)	-	(97,954)	(99,641)
Charitable activities	6	(392,226)	(111,211)	(503,437)	(488,551)
TOTAL RESOURCES EXPENDED		(694,297)	(118,684)	(812,981)	(789,989)
NET MOVEMENT IN FUNDS		81,671	18,295	99,966	(85,524)
RECONCILIATION OF FUNDS					
Total funds brought forward		995,977	62,716	1,058,693	1,135,548
Transfers		-	(4,457)	(4,457)	8,669
TOTAL FUNDS CARRIED FORWARD		1,077,648	76,554	1,154,202	1,058,693
NOTE:					
Total incoming resources		775,968	136,979	912,947	704,465
Total resources expended		(694,297)	(118,684)	(812,981)	(789,989)
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		81,671	18,295	99,966	(85,524)

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 10 to 19 form part of these financial statements.

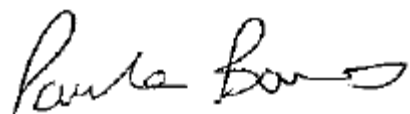
**THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION
LTD**

BALANCE SHEET

30th JUNE 2017

	Note	2017 £	£	2016 £
FIXED ASSETS				
Tangible assets	10		835,143	860,761
CURRENT ASSETS				
Debtors	11	45,441		45,853
Cash at bank		327,086		188,129
		<u>372,527</u>		<u>233,982</u>
CREDITORS: Amounts falling due within one year	12	(53,468)		(36,050)
			<u>319,059</u>	<u>197,932</u>
NET CURRENT ASSETS			319,059	197,932
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,154,202</u>	<u>1,058,693</u>
NET ASSETS			<u>1,154,202</u>	<u>1,058,693</u>
FUNDS				
Restricted income funds	14		76,554	62,716
Unrestricted income funds	15		242,505	63,216
Designated funds - Fixed assets fund	15		835,143	860,761
Designated funds - Future property development fund	15		-	72,000
TOTAL FUNDS			<u>1,154,202</u>	<u>1,058,693</u>

These financial statements were approved by the trustees on 29th January 2018, and are signed on their behalf by:



P Barnes
Chairman of Trustees

Company Registration Number 04465743

The notes on pages 11 to 20 form part of these financial statements.

**THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION
LTD**

STATEMENT OF CASH FLOWS

30th JUNE 2017

	Note	2017 £	2016 £
<u>Cash flow from operating activities</u>			
Cash used in operating activities	17	146,949	(51,715)
Interest paid		-	-
		<hr/>	<hr/>
Net cash flow from operating activities		<u>146,949</u>	<u>(51,715)</u>
 <u>Cash flow from investing activities</u>			
Investment income		937	1,437
Purchase of fixed assets		(8,929)	(16,614)
		<hr/>	<hr/>
Net cash flow from investing activities		<u>(7,992)</u>	<u>(15,177)</u>
 <u>Cash flow from financing activities</u>			
Repayment of finance lease liability		-	(2,191)
Interest paid		-	-
		<hr/>	<hr/>
Net cash flow from financing activities		<u>-</u>	<u>(2,191)</u>
 Increase/decrease in cash		 138,957	 (69,083)
Cash and cash equivalents at the beginning of year		188,129	257,212
Cash and cash equivalents at the end of year		327,086	188,129

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2017

1. ACCOUNTING POLICIES

Charity Information

The Rainbow Centre for Conductive Education is a company limited by guarantee (company registration number: 04465743) and a registered charity in England (charity registration number: 1096603). The address of the registered office is given in the charity information on page 1 of these financial statements.

The nature of the charity's operations and principal activities are to inspire and support children with Cerebral Palsy and adults with stroke, MS and Parkinson's, adult Cerebral Palsy, Head Injury and their families. Through a system of learning called Conductive Education we encourage and teach our children/participants to take an active role in their own development.

As a company limited by guarantee, in the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Basis of accounting

The charity constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with 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 (FRS102) issued on 16 July 2014, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

These financial statements for the year ended 30 June 2017 are the first financial statements of the charitable company prepared in accordance with FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Leasehold Property	- 2% per annum straight line
Office Equipment	- 25% straight line
Fixtures and Fittings	- 25% straight line

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2017

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Income from the charity shop is included in the year in which it is receivable.

Income from investments is included in the year in which it is receivable.

Legacies are included when the charity is advised by the personal representative of the deceased, being deceased before the year end, that payment will be made or property transferred and the amount involved can be quantified.

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 reported as part of the expenditure to which it relates.

Expenditure is classified under headings of Fundraising costs or Charitable activities as appropriate, which aggregate all costs related to the activities of the charity. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Premises overheads have been allocated on a floor area basis and other overheads have been allocated on the basis of the head count.

Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Fundraising costs are those costs associated with managing the generation of funds into the charity, to provide the charity with the funds to deliver its activities and services for its beneficiaries.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2017

Funds structure

The charity has a number of restricted income funds to account for a situation where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

Unrestricted income funds are funds 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.

Designated funds are funds set aside by the trustees out of unrestricted income funds for specific future purposes or projects. The fixed assets fund represents amounts invested in fixed assets for use by the charity in respect of the property, The Bradbury Building. The Future property development fund represents funds set aside by the trustees for the purpose of funding the planned future extension to The Bradbury Building.

Pension costs

The charity makes payments to a defined contribution pension scheme on behalf of key employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of financial activities.

Going Concern

The charity is heavily reliant on voluntary income sources, primarily donations and fundraising from the local community, to provide it with the funds it needs in order to support the services it delivers. Due to the nature of these voluntary income sources, the related cash flows are difficult for the charity to forecast with reasonable certainty, both in respect of the quantity and timing of these cash flows. Conversely the charity's expenditure, which consists primarily of staff costs of providing the charitable services and supporting the charitable services, are relatively fixed monthly amounts that can be predicted with reasonable certainty. The result of these factors is that the charity is exposed to significant fluctuations in its cash flows, which has a direct impact on its cash resources.

To manage these risks, the charity seeks to maintain cash reserves within its bank account equivalent to at least 3 months operating costs (circa £193,000) (2016-circa £183,000), in order to provide it with a stable platform from which it can make medium to long-term planning decisions on its services.

The trustees have carefully considered the funding requirements of the charity and are confident that from the strategies that have been implemented, the charity will have sufficient resources for it to continue for the foreseeable future. Accordingly the trustees continue to adopt the going concern basis of accounting in preparing these financial statements.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2017

2. DONATIONS, LEGACIES AND RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Donations				
Donations – community	139,182	-	139,182	150,684
Donations – corporate and exec events	110,293	-	110,293	135,478
Donations – trusts and foundations	30,464	136,979	167,443	149,132
Gifts in kind	5,000	-	5,000	5,000
Other	4,998	-	4,998	3,464
Legacies				
Bequests and legacies received	192,253	-	192,253	120
Activities for raising funds				
Shop income	128,822	-	128,822	107,304
Events	58,678	-	58,678	54,945
Rental income	5,400	-	5,400	5,400
	<u>675,090</u>	<u>136,979</u>	<u>812,069</u>	<u>611,527</u>

Income from donations, legacies and raising funds for the year ended 30th June 2016 included £94,402 of restricted donations.

3. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Investment income - deposit interest	937	937	1,437
	<u>937</u>	<u>937</u>	<u>1,437</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Fees received from Conductive Education	99,941	99,941	91,501
	<u>99,941</u>	<u>99,941</u>	<u>91,501</u>

Included in the Fees received, payments totalling £9642 were received from Hampshire County Council for Early Years Education.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2017

5. COSTS OF GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Shop costs	97,954	-	97,954	99,641
Events and other fundraising costs	55,027	-	55,027	77,906
Fundraising salary costs	149,090	7,473	156,563	123,891
	<u>302,071</u>	<u>7,473</u>	<u>309,544</u>	<u>301,438</u>

6. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Conductive Education wages and salaries	191,384	88,678	280,062	249,790
Administration wages and salaries	94,739	-	94,739	83,602
Rent, rates and other establishment expenditure	14,167	5,651	19,818	22,076
Repairs and maintenance	11,916	4,753	16,669	15,231
Insurance	3,712	1,481	5,193	5,779
Motor expenses and travel	3,686	1,470	5,156	5,853
Legal and professional fees	10,140	4,045	14,185	40,365
Office expenses	11,956	4,769	16,725	16,215
Bad debts	(116)	-	(116)	1,974
Telephone	913	364	1,277	1,776
Depreciation	34,540	-	34,540	30,216
Loss on disposal of fixed assets	7	-	7	-
Audit and accountancy fees	5,000	-	5,000	5,000
Other governance costs	10,182	-	10,182	10,674
	<u>392,226</u>	<u>111,211</u>	<u>503,437</u>	<u>488,551</u>

Costs of charitable expenditure for the year ended 30th June 2016 included £58,898 in respect of restricted funds.

7. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2017 £	2016 £
Depreciation	34,540	30,216
Auditors' fees	5,000	5,000
Loss on disposal of fixed assets	7	-
	<u>7</u>	<u>-</u>

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2017

8. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	560,545	496,238
Social security costs	37,498	34,860
Pension costs	3,911	903
	<u>601,954</u>	<u>532,001</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2017	2016
	No	No
Number of administrative staff	5	4
Number of Conductive staff	12	11
Number of fundraising staff	6	4
Number of shop staff	5	5
	<u>28</u>	<u>24</u>

No employee received emoluments of more than £60,000 during the year (2016 – £60,000).

No remuneration was paid to Trustees in the year.

Trustees made donations totalling £762 during the year (2016- £nil).

9. TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2017

10. TANGIBLE FIXED ASSETS

	Long leasehold property £	Office and other equipment £	Fixtures and fittings £	Total £
COST				
At 1 July 2016	1,045,012	35,717	38,903	1,119,632
Additions	-	3,835	5,094	8,929
Disposals	-	-	(375)	(375)
At 30 June 2017	1,045,012	39,552	43,622	1,128,186
DEPRECIATION				
At 1 July 2016	208,862	18,783	31,226	258,871
Charge for the year	20,901	9,453	4,186	34,540
On disposals	-	-	(368)	(368)
At 30 June 2017	229,763	28,236	35,044	293,043
NET BOOK VALUE				
At 30 June 2017	815,249	11,316	8,578	835,143
At 30 June 2016	836,150	16,934	7,677	860,761

The land upon which The Bradbury Building is built is held on a 125 year lease, of which 114 years are remaining, from Fareham Borough Council.

11. DEBTORS

	2017 £	2016 £
Accounts receivable	18,638	3,779
Prepayments and accrued income	26,803	27,162
Other debtors	-	14,912
	45,441	45,853

12. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Accounts payable	17,302	9,851
Accruals and deferred income	15,463	13,401
Other creditors	2,226	2,106
PAYE and social security	18,477	10,692
	53,468	36,050

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2017

13. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2017 the charity had annual commitments under non-cancellable operating leases as set out below.

	2017		2016	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	20,667	–	26,500	–
Within 2 to 5 years	29,959	–	50,626	–
After more than 5 years	–	–	–	–
	<u>50,626</u>	<u>–</u>	<u>77,126</u>	<u>–</u>

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2017

14. RESTRICTED INCOME FUNDS

Project	Balance at 1 Jul 2016 £	Incoming resources £	Resources expended £	Transfers	Balance at 30 Jun 2017 £
Adult services	2,876	10,099	(8,680)	-	4,295
Children's services	95	30,256	(30,256)	-	95
Computer equipment	625	-	(625)	-	-
Core costs	30,000	45,000	(45,000)	-	30,000
Early Intervention	4,375	13,500	(14,638)	-	3,237
Finding a Voice Project	-	31,500	-	-	31,500
Helping Hand fund	5,000	2,000	-	(4,457)	2,543
Outreach Research Project	7,473	-	(7,473)	-	-
Pathway Project	5,176	-	(3,845)	-	1,331
Saturday Club	7,042	4,124	(8,167)	-	2,999
Service equipment	-	500	-	-	500
Toys & books	54	-	-	-	54
	<u>62,716</u>	<u>136,979</u>	<u>(118,684)</u>	<u>(4,457)</u>	<u>76,554</u>

Included in Core Funding above is a £30,000 Revenue Grant from The Henry Smith Charity towards the running costs of providing Conductive Education to both children and adults.

15. UNRESTRICTED INCOME FUNDS

	Balance at 1 Jul 2016 £	Incoming resources £	Outgoing resources £	Transfers £	Balance 30 Jun 2017 £
Designated funds					
Fixed assets fund	860,761	-	-	(25,618)	835,143
Future property development fund	72,000	-	-	(72,000)	-
Total designated funds	<u>932,761</u>	<u>-</u>	<u>-</u>	<u>(97,618)</u>	<u>835,143</u>
Unrestricted income funds	63,216	775,968	(694,297)	97,618	242,505
At 30 June 2015	<u>995,977</u>	<u>775,968</u>	<u>(694,297)</u>	<u>-</u>	<u>1,077,648</u>

The Rainbow Centre for Conductive Education has no immediate plans to develop the building therefore the Future Property Development Fund has been released back to unrestricted income.

THE RAINBOW CENTRE FOR CONDUCTIVE EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2017

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total
		£	£
Tangible fixed assets	835,143	-	835,143
Cash at bank and in hand	250,532	76,554	327,086
Debtors	45,441	-	45,441
Creditors	(53,468)	-	(53,468)
Total Funds	1,077,648	76,554	1,154,202

17. CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Net movement in fund for the year	95,912	(85,524)
Adjustments for:		
Depreciation	34,662	30,216
Interest receivable	(937)	(1,437)
Loss on disposal of fixed asset	7	-
(Increase)/decrease in debtors	412	(4,590)
Increase/(decrease) in creditors	16,893	9,620
Cash absorbed in operations	149,949	(51,715)