

RAINBOW SERVICES (HARLOW) LIMITED

(A COMPANY LIMITED BY GUARANTEE)

Report of the Trustees and Financial Statements

For The Year Ended 31st March 2011

Charity No: 1077228
Company No: 3826440

**RAINBOW SERVICES (HARLOW) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES ANNUAL REPORT

CHARITY INFORMATION

FOR THE YEAR ENDED 31ST MARCH 2011

Directors and Trustees C Greenhill (Chairperson)
M Priestley (Vice-Chair)
A E Nutt
J Clarke
J Frazer

Company Secretary J L Sully

Registered Office The Rainbow Centre
2 Wych Elm
Harlow
Essex
CM20 1QP

Registered Number: 3826440 (England and Wales)

Charity No: 1077228

Independent Examiner Julie Nedza, ACMA, FCIE
Hadley Consultancy
46 Kingwell Road
Barnet
Herts
EN4 0HY

**RAINBOW SERVICES (HARLOW) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2011

The Directors and Trustees submit their report together with the independently inspected financial statements for the year ended 31st March 2011.

Rainbow Services Harlow was launched as an independent charity and company limited by guarantee on 1st November 1999, charity registration no.1077228, company no. 3826440. It has five Trustee/Directors. The Executive Director is also the Company Secretary.

Rainbow Services continuously aims to keep abreast of new developments and opportunities in order that it can provide the broadest possible range of services to clients.

The income and property of the company is applied solely towards the promotion of its objects, no portion being paid or transferred directly or indirectly by way of dividend, bonus, or by way of profit to members of the company.

No member of the Board of Trustee/ Directors receives a salary or fee from the company. Rainbow Services keeps a register of Trustees interests which includes other Trusteeships and Directorships. Any other potential conflicts are also registered and monitored by the Board of Trustees.

The liability of the members is limited.

As laid down in the Memorandum of Association, Rainbow Services may invest monies if not immediately required for its own purposes, in or upon such investments, securities or property as may be thought fit.

Mission

Rainbow Services works to alleviate the effects of disadvantage, deprivation, and social exclusion through imaginative projects that support, enable and develop people and organisations, and which stimulate beneficial change in the local community.

Statement of Values

Rainbow Services aims to alleviate poverty, disadvantage and social exclusion by providing quality services and by targeting those services into areas where there is no existing provision or where disadvantaged people are poorly served. Where appropriate research will be undertaken to identify unmet need within the local community and wherever possible we will encourage community development through the provision of accessible and affordable services and activities. Services will be categorised into three priority areas to ensure effective allocation of resources and consolidation of maximum effort. These categories are: **supporting, enabling and developing**.

All of our work is guided by our values of equality of opportunity, participation and co-operation and this underpins our stated objects which are to combat poverty and disadvantage and to improve the quality of life for local groups and individuals.

Statement of Public Benefit

In the preparation of this annual statement the Trustees have given due regard to the public benefit guidance given by the Charity Commission, and can confirm that all of the organisations' work and achievements are aligned with it's aims and objectives (benefits).

The following paragraphs cover the range and type of work undertaken, and describe the benefits offered to our numerous client groups.

Rainbow Services remains committed to equality of access and equity of provision in all of its service delivery.

Overview of Current Service Provision

Given our previously stated commitment to the three priority areas of work, we recognise that some services will fall into more than one category.

These categories are; Supporting (S) Enabling (E) Developing (D)

The Rainbow Centre and Infrastructure Support Services

The Rainbow Centre is a voluntary sector campus and hub, where a range of community based organisations share office space, facilities and a range of internal support services. There was use of conference/meeting rooms (until September 2010) when the workshop moved from the Latton Bush Centre. Hot desk space for general purposes a library resource, and access to IT facilities continues to be offered to local groups and organisations. The Centre is also host to the Harlow Voluntary Sector Forum.

Rainbow Services offers infrastructure support and development services to other voluntary and community based organisations in Harlow. Infrastructure services are classified by NAVCA (National Association of Voluntary and Community Organisations) as providing information, advice, networking and learning opportunities, offering support and development services, and taking on a representational and an influencing role in working with statutory and government agencies.

The representation and liaison role is undertaken in particular with local and county wide strategic partnerships and in situations where voluntary sector input is imperative to the planning, development and delivery processes. **(S, E and D)**

Furniture Re-use Project

This project collected donated items of furniture and household effects, in order to re-distribute to families and individuals on a low income. This project was unfortunately closed at the end of September 2010 due to lack of sustainable financial support **(S)**

Workshop

This facility started life as an extension of our Furniture Re-use Project. Repair and renovation work is undertaken as well as the building of garden and household items from re-used materials.

The workshop also acts as a training centre and offers accredited and non accredited training as well as informal learning opportunities. **(S, E and D)**

In September 2010 the workshop moved from Latton Bush into the Rainbow centre at Wych Elm.

Volunteer Placements

Having developed quality systems to support this work during the Big Lottery funded programme, it has now been mainstreamed in our day to day business. Further funding from the Harlow Health Centres Trust has helped to underpin our commitment to support people who are particularly disadvantaged into volunteering opportunities, and to remain accredited with the "Investing In Volunteers" quality mark. **(S, E and D)**

The Rainbow Young Bus (Mobile Outreach Project)

The Rainbow Young Bus delivers mobile play and creative activities into the heart of the community and was funded for the year 2010-11 by Essex County Council's Local Priority Fund. Additional monies from Aiming High for Disabled Children enabled the bus to be further adapted in order to offer services to a wider range of children with disabilities. **(S, E and D)**

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Review of the Development, Activities and Achievements for the year 2010-2011

During the year 2010-11 and specifically until September 2010, Rainbow Services employed 17 members of staff (9 FTE) who reported through the Executive Director to the Board of Trustees. At the end of September when the re-use project closed, 2 P/T staff were made redundant. In the spring of 2010 Rainbow Services employed 6 P/T employees within the Future Jobs Fund programme who were all on a 6 month fixed term contract in accordance with the requirements of the scheme. We then employed a further 4 members of staff for a six month period, through the same programme until spring 2011. These staff numbers are included in the overall total of whole time equivalents for the year.

In addition Rainbow Services has on occasions employed casual members of staff for time limited project related activity.

The organisation has adopted a wide range of policies and procedures to underpin the overarching aims and objectives, and to support a commitment to equality of opportunity, quality within all service provision, and equity and fairness in all aspects of our work.

Activity related statistics for 2010/2011

- 9824 volunteer hours were given to Rainbow Services. These include the unpaid work hours which are generated via the contract with Essex Probation Services
- Over 300 collections and deliveries were made involving 10.5 tonnes of furniture re-used within the local community – this constitutes bulky waste diverted from landfill. (This figure only relates to 3 months work as the re-use project was closed in early July 2010)
- There were 93 e-briefings and electronic mail-outs, 4 newsletters and a total of 48 groups came to a total of 6 Voluntary Sector Forum events.
- The Rainbow Young Bus was used 2090 times by children and young people over the course of the year.
- Customers used Quigy's community café a total of 746 times.
- 29 groups have used or are based at the Rainbow Centre

Comments and Complaints

Rainbow Services has a formal complaints procedure which is reviewed on a regular basis and updated as required.

During the year 2010/11 there were no formal complaints. Any minor complaint was resolved in accordance with the informal procedures outlined within the comments and complaints policy.

Trading Statement

The accommodation which Rainbow Services occupies is within premises which are in the ownership of Harlow District Council.

Both Wych Elm and Latton Bush Centre (until Sept 2010) are on lease to Rainbow Services and are held at market rent with a community discount.

Rainbow Services depends on the services of unpaid volunteers to deliver most of its front line activity and during the year 2010-2011 the hours (9824) if translated to minimum wage payments would significantly enhance the turn-over of the organisation.

The Trustees are grateful for the continued financial support provided by Harlow District Council as the principal funder, and during 2010-2011 to the project funding provided via Essex County Council, NHS West Essex, The Local Priority Fund (ECC), Big Lottery (Local Foods programme) and Harlow Health Centres Trust.

Rainbow Services also has a contract with Essex Probation Services to deliver offender management services.

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In addition Harlow Council supports Rainbow Services with the provision of a payroll facility (this ceased on 31st March 2011).

Trustees responsibilities

Charity Law requires the trustees to prepare a financial statement for each financial year which gives a true and fair view of the state of affairs of the charity and its financial activities for that year, and to appropriately distinguish any special trust or other restricted fund of the charity. In preparing these financial statements, the Trustees are required to:-

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any one time, the financial position of the charity, and enable them to ensure that the financial statements comply with applicable accounting standards, the Statement of Recommended Practice (2005), and the regulations made under Section 44 of the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

An important part of the trustees' governance responsibilities is contained within the organisation's Risk Management Strategy. This was developed to ensure a consistent approach to all areas of risk management. An action plan was originally developed in 2004-05 and this has continued to be reviewed, amended and implemented during 2010-11. The plan and all associated risk areas are monitored within the Audit Committee which reports to the Board of Trustees.

Review of Transactions and Financial Position

The financial statements include a Statement of Financial Activities (SOFA). This statement is required by the Charities SORP 2005 and is a more detailed statement than the profit and loss account. The statement shows that during 2010-2011 Rainbow Services (Harlow) had a surplus of £4,903 compared to a deficit of £(18,31) in 2009-10. The deficit during the year for restricted funds was fully covered by restricted funds brought forward from 2009-2010.

The assets of Rainbow Services are shown in the balance sheet at net book value. Fixed assets are not re-valued and are depreciated over the estimated life of the asset. The fixed assets are now made up of one vehicle only (the Rainbow Bus) as the vehicle used for furniture collection and delivery was disposed of during 2010-11 due to the cessation of the service. The Rainbow Bus was purchased over 5 years ago and has now been fully depreciated so the net book value of the assets held as at 31st March 2011 is £nil. There were no additions to fixed assets during 2010-2011.

The Trustees have agreed that tangible fixed assets are capitalised if they cost more than £1,000 and can be used for more than one year.

Conclusion

The financial performance of Rainbow Services has been consistent during 2010-2011. The organisation has taken significant steps to review and consolidate its programme of service delivery, and to diversify some activities during this financial year following a major reduction of one of its principle funding streams.

Rainbow Services continues to uphold and promote fairness, equality, and quality in all aspects of its work.

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Directors

During 2010-2011 the following Trustee/Directors have been involved in the strategic management of the organisation.

C Greenhill
M Priestley
A E Nutt
J Clarke
J Frazer

Statement and Policy on Retaining Reserves

Rainbow Services is a reflective and flexible organisation which is able to respond quickly to change and emerging issues. As such the Trustees have decided that the organisation will hold reserves appropriate to the level of activities and to reflect the importance that beneficiaries and potential funders may place on the ongoing viability of the organisation.

To reflect this, an appropriate reserves policy has been developed, giving due consideration to all the risks and opportunities that the charity currently faces or may face in the future.

Action relating to the management of the reserves position takes place when and where appropriate to ensure compliance with the accounting and reporting regulations and to promote best practice.

Why Rainbow services keeps reserves

a) Reserves specifically for cash flow problems

- i) i.e. When funding sources come to an end and continuity is required to bridge a gap, or to plan and manage a reduction in a particular area of activity. This reserve is sometimes referred to as the operational reserve and is kept for emergency use.
- ii) i.e. Funds to bridge temporary cash-flow problems and where there is a mismatch between the timing of income and expenditure, e.g. where grant finance for a particular activity or project is paid in arrears. This also forms part of the operational reserve.

b) Reserves to help plan for growth, improvements, and replacements

i.e. new IT hardware and/or improvements to equipment as well as vehicle replacement.

c) Reserves for specific future projects

These are usually held in a designated fund and are kept to cover the cost of a future project, activity or item of expenditure associated with a project.

d) Legally required reserves

This constitutes the designated redundancy fund as well as any contractual liabilities related to hire/lease of equipment or premises.

Definition of amounts required

a) Operational reserve (or General Fund)

The Trustees of Rainbow Services have decided that due to current economic challenges a minimum of six months running costs should be retained under this heading. This complies

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with Charity Commission guidance and ensures a buffer of income in order to effect a planned and sensitively managed reduction in service levels if required. Working on an average turnover of £350,000 per annum the required amount equates to £175,000 (at current activity levels). Rainbow Services reserves under this heading at the end of 2010-2011 were £130,235, equivalent to 4.5 months running costs and an increase of £12,000 (0.5 months) in the year.

b) Reserves held for growth, improvements and replacements

Funds held under this heading and the balance at the end of 2010/11 were £26,000.

Vehicle replacement reserve	- £20,000
IT and Equipment reserve	- £4,000
Quality Assurance reserve	- £2,000

c) Reserves for specific future project

There are no specific funds held under this heading

d) Legally required reserves

Funds held under this heading specifically relate to a redundancy fund. This covers our employment responsibilities to the staff directly employed by Rainbow Services. This reserve has been increased to reflect the length of service of employees, and the fact that some was utilised during the year to finance the redundancies caused by the closure of the re-use project. The balance at the end of 2010/11 was £40,000.

Risk Management

The Trustees examine the major risks that the charity faces each financial year when preparing, updating and monitoring the strategic plan. The charity has developed systems to monitor and control these risks and to mitigate any impact that they may have on the charity in the future.

This report has been prepared in accordance with the provisions of the Companies Act 2006, applicable to companies subject to the small companies' regime.

By the order of the Board

J L Sully
Company Secretary

Date: 22-06-11

**RAINBOW SERVICES (HARLOW) LIMITED
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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF RAINBOW SERVICES (HARLOW)
LIMITED**

FOR THE YEAR ENDED 31ST MARCH 2011

I report on the accounts of the charity for the year ended 31 March 2011, which are set out on pages 9 to 16.

Respective responsibilities of trustees and examiners

The trustees (who are also the directors of Rainbow Services for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Chartered Institute of Management Accountants and of the Association of Charity Independent Examiners.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Julie Nedza ACMA FCIE
Associate member of the Chartered Institute of Management Accountants
Fellow of the Association of Charity Independent Examiners

Date: 22.06.11

Hadley Consultancy
46 Kingwell Road
Barnet, Herts
EN4 0HY

**RAINBOW SERVICES (HARLOW) LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure account)

FOR THE YEAR ENDED 31ST MARCH 2011

	Note	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total 2011</u>	<u>Total 2010</u>
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income		323		323	5,133
Activities for generating funds		0		0	1,536
Investment income		126		126	114
Incoming resources from charitable activities					
Rainbow Centre	2a	227,685	28,897	256,582	259,409
Children and Family support	2b	15,713	77,889	93,602	80,042
		243,398	106,786	350,184	339,451
Other incoming resources	3	4,995		4,995	0
Total incoming resources		248,842	106,786	355,628	346,234
RESOURCES EXPENDED					
Costs of generating funds					
Cost of generating voluntary income		0		0	25
Charitable activities					
Rainbow Centre	4a	211,055	28,897	239,952	274,705
Children and Family support	4b	15,904	93,377	109,281	88,554
Governance costs		1,492		1,492	1,263
Total resources expended		228,451	122,274	350,725	364,547
Net Incoming/(Outgoing) Resources before transfers	5	20,391	(15,488)	4,903	(18,313)
Transfer between funds	12	0	0	0	0
Net movement in funds		20,391	(15,448)	4,903	(18,313)
Reconciliation of funds					
Total funds brought forward		175,844	15,488	191,332	209,645
Total funds carried forward		196,235	0	196,235	191,332

All of the above results are derived from continuing activities. There were no recognised gains and losses other than those stated above.

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BALANCE SHEET AS AT 31ST MARCH 2011

	Note	<u>2011</u>	<u>2010</u>
FIXED ASSETS			
Tangible Assets	6	0	12,183
CURRENT ASSETS			
Debtors	7	15,371	8,134
Cash at bank		<u>280,516</u>	<u>227,141</u>
		295,887	235,275
CREDITORS: amounts falling due within one year	8	(99,652)	(56,126)
Net Current Assets		196,235	179,149
Net Assets		<u>196,235</u>	<u>191,332</u>
 <u>Represented by:</u>			
Unrestricted funds			
General funds	12	130,235	118,190
Designated funds	12	66,000	57,654
Restricted Funds			
Restricted Funds	12	0	15,488
Total Funds		<u>196,235</u>	<u>191,332</u>

For the year ending 31 March 2011 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts,

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 9 to 16 were approved by the Board of Trustees on Wednesday 22 June 2011 and signed on its behalf by:

Trustee
Chris Greenhill

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with the Charities Act 1993, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005 – Second Edition) and Financial Reporting Standard for Smaller Entities (FRSSE).

COMPANY STATUS

The charity is a company limited by guarantee. The members 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 £10 per member of the charity.

INCOME

Donations and gifts are included in the statement of financial activities when they are received. Grants are recognised as income when any conditions for their receipt have been met. Room hire, rental and other sales income, fundraising income and investment income are taken into account on the date that the charity is entitled to receipt.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following rates:

Motor vehicles	20% straight line basis
Equipment	33.3% straight line basis

The costs of minor additions or items costing less than £1,000 are not capitalised.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities in a basis consistent with use of the resources.

Costs of generating funds comprise the costs associated with attracting voluntary income. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly whilst others are apportioned on an appropriate basis.

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. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

TAXATION

The company, being a charity is not liable for income tax or corporation tax. Value Added Tax is not recoverable and is included in the relevant charges for expenses.

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PENSION COSTS

The pension costs shown in the financial statements represent the contributions payable by the company during the year into defined benefit pension schemes.

2. Incoming Resources from Activities to further the Charity's objects

	Unrestricted £	Restricted £	Total 2011 £	Total 2010 £
a. Rainbow Centre				
Harlow District Council	40,000		40,000	70,000
Essex County Council	17,300		17,300	17,331
West Essex Primary Care Trust	11,420		11,420	11,420
Probation Service:				
Offender management services	43,516		43,516	44,344
Harlow Health Centre Trust:				
Supporting volunteers with life limiting conditions		18,000	18,000	9,000
Local Food Grant : Community cafe		8,397	8,397	2,667
Performance Reward Grant:				
Compact and Big Society initiatives	19,174		19,174	15,000
Doris Slater fund		2,500	2,500	0
Other grants and related income:				
Future Jobs Fund	33,576		33,576	0
Other grants	6834		6,834	4,435
Sales and other income:				
Room hire and rental	27,639		27,639	26,209
Consultancy and related services	12,858		12,858	16,842
Hosted services	0		0	28,720
Other sales income	15,368		15,368	13,441
	<u>227,685</u>	<u>28,897</u>	<u>256,582</u>	<u>259,409</u>
b. Children and Family support				
Children's Fund Essex		0	0	23,292
Play Strategy funds	3,630		3,630	32,126
Local Priority Fund: Rainbow Young Bus		47,248	47,248	23,624
Aiming High for Disabled Children:				
Adaptation of bus		30,641	30,641	0
Other grants:				
Future Jobs Fund	9,882		9,882	0
Internet services for Rainbow Bus	2,201		2,201	1,000
	<u>15,713</u>	<u>77,889</u>	<u>93,602</u>	<u>80,042</u>
Total	<u><u>243,398</u></u>	<u><u>106,786</u></u>	<u><u>350,184</u></u>	<u><u>339,452</u></u>

Note: Unrestricted income includes the service level agreements with HDC, ECC and West Essex PCT to enable the provision of office facilities, infrastructure support services and other related services to other voluntary and community based organisations in Harlow, as described in the Trustee Report.

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FOR THE YEAR ENDED 31ST MARCH 2011

3. Other incoming resources			2011	2010
			£	£
Profit on disposal of vehicle			4,995	0
4. Cost of Charitable Activities			Total	Total
	Unrestricted	Restricted	2011	2010
	£	£	£	£
a. Rainbow Centre				
Staff costs	137,020	17,781	154,801	142,618
Other staff and volunteer expenses	13,792	449	14,241	26,532
Direct project costs				
- Workshop and vehicle costs	4,155		4,155	5,378
- Community Cafe		3,837	3,837	656
- Doris Slater fund		2,500	2,500	0
- Consultancy and hosted services costs			0	22,050
- Other	11,996		11,996	5,203
Rent, service charge, utilities	27,485	1,500	28,985	36,988
Office expenses	11,113	2,830	13,943	19,153
Quality accreditations	1,500		1,500	0
Accountancy fees	1,925		1,925	2,675
Insurance	2,069		2,069	2,044
Depreciation	0		0	11,408
	<u>211,055</u>	<u>28,897</u>	<u>239,952</u>	<u>274,705</u>
b. Children and Family support				
Staff costs	11,900	38,512	50,412	48,135
Other staff and volunteer expenses		787	787	4,801
Direct project costs				
- Adaptation of Rainbow Young Bus		30,641	30,641	0
- Fuel, maintenance, insurance of bus		9,384	9,384	12,657
Rent, service charge, utilities		1,800	1,800	3,600
Office expenses	821	1,253	2,074	2,441
Insurance		2,000	2,000	1,920
Depreciation	3,183	9,000	12,183	15,000
	<u>15,904</u>	<u>93,377</u>	<u>109,281</u>	<u>88,554</u>
Total	<u>226,959</u>	<u>122,274</u>	<u>349,233</u>	<u>363,259</u>
5. Net Incoming Resources for the Year			2011	2010
This is stated after charging:			£	£
Depreciation			12,183	26,408
Independent Examiner's remuneration:				
Independent Examiner's fee			800	800
Accountancy services			1,925	2,675

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

6. TANGIBLE FIXED ASSETS	Vehicles £	Total £
Cost		
At 1 April 2010	152,159	152,159
Additions		0
Disposals and write offs	(20,120)	(20,120)
At 31 March 2011	<u>132,039</u>	<u>132,039</u>
Depreciation		
At 1 April 2010	139,976	139,976
Charge for period	12,183	12,183
Disposals and write offs	(20,120)	(20,120)
At 31 March 2011	<u>132,039</u>	<u>132,039</u>
Net book value at 31 March 2011	<u><u>0</u></u>	<u><u>0</u></u>
Net book value at 31 March 2010	<u>12,183</u>	<u>12,183</u>
7. DEBTORS	2011 £	2010 £
Trade debtors	15,371	8,134
8. CREDITORS: amounts falling due within one year	2011 £	2010 £
Trade creditors	6,081	7,045
Accruals	79,571	38,081
Deferred income	14,000	11,000
	<u>99,652</u>	<u>56,126</u>
9. Staff Costs	2011 £	2010 £
Salaries & wages	178,818	168,958
Social security costs	12,260	12,179
Pension	12,564	13,370
Redundancy payments	1,571	0
	<u>205,213</u>	<u>194,507</u>
The average number of full-time equivalent employees during the year was:	2011	2010
Management & administration of the charity	3.5	2.75
Workshop and re-use	2.25	2.75
Quigey's community cafe	1.25	0
Children & family support	2.0	2.0
	<u>9.0</u>	<u>7.5</u>

No trustee received any remuneration during the year (2010 - £nil).

Five trustees attended a networking event at a cost of £294 (2010 - £nil) and one trustee was reimbursed for travel expenses of £7 during the year (2010 - £25 for one trustee).

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No employee received remuneration above £60,000 (2010 - Nil).

10. PENSIONS

Rainbow Services participates in a defined benefit scheme operated by Essex County Council. The contributions are determined by Mercers Human Resource Consulting, independent qualified actuaries, on the basis of triennial valuations.

Although the Fund is a defined benefit scheme, because Rainbow Services, as a Small Admitted Body has been grouped together with other Small Admitted Bodies, it is not possible to separately identify its share of the underlying assets and liabilities in 2010/11 and it is therefore accounted for as a defined contribution scheme. Following consultation on the 2010 Funding Strategy the grouping arrangement for Small Admitted Bodies ceased on 1 April 2011.

Pension contributions charged during the year amounted to **£12,564.29** (2009/10 £13,370.18).

Whilst the most recent valuation took place at 31 March 2010 and has specified the employer rates applicable for the three years from 1 April 2011, these financial statements reflect the contributions set by the 2007 valuation. The ongoing contribution rate for Rainbow Services during 2010/11 was **12.30%** of pensionable pay. The value of the scheme's assets at 31 March 2007 was sufficient to cover 79.6% of the benefits that had accrued to members. On the basis of the 2007 valuation, this deficiency was to be eliminated over the average service life of members of 11 years. A sum of **£7,150.20** was made by Rainbow Services in 2010/11 towards this deficiency. A sum of **£6,330.95** will be payable by Rainbow Services in 2011/12. Any payments to meet unfunded benefits which are recharged to Rainbow Services or financial strain payments made by Rainbow Services are in addition to the above.

The main actuarial assumptions used in both the 2007 and 2010 valuation are set out below.

	2007 funding target	2007 normal cost	2010 funding target	2010 normal cost
Investment Return - pre retirement	6.9% pa	6.5% pa	7.0% pa	6.75% pa
Investment Return - post retirement	5.4% pa	6.5% pa	5.5% pa	6.75% pa
Salary increases	4.6% pa	4.25% pa	4.5% pa	4.5% pa
Pension increases in payment	3.1% pa	2.75% pa	3.0% pa	3.0% pa

The 2010 Valuation determined that the scheme's assets were sufficient to cover 71% of the benefits that had accrued to members. The value of the Fund's assets at the 2010 valuation was £3,085m and the value of the liabilities was £4,319. The past service deficiency was £1,234m. The target distribution of assets of both the 2007 and 2010 valuation is set out below:

Fund Assets	Proportion 31/03/07	Proportion 31/03/10
Overseas Equities	35%	53%
UK Equities	25%	10%
Property	12%	12%
Fixed Interest	7%	1.2%
Shareholder Activism	6%	5.5%
LIBOR+	5%	6%
Private Equity	4%	6%
Index Linked	3.5%	3.8%

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Infrastructure	2.5%	2.5%
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11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Tangible fixed assets	0	0	0	12,183
Current assets	295,887	0	295,887	235,275
Total liabilities	(99,652)	0	(99,652)	(56,126)
Total net assets as at 31 March 201	196,235	0	196,235	191,332

12. MOVEMENTS IN FUNDS

	At 1 April 2010 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2011 £
Restricted funds					
HHCT - Supporting volunteers	0	18,000	18,000		0
Local Food Grant	0	8,397	8,397		0
Doris Slater fund	0	2,500	2,500		0
Community Initiatives Fund	9,000	0	9,000		0
Local Priority Fund - Rainbow Young Bus	6,488	47,248	53,736		0
Aiming High for Disabled Children	0	30,641	30,641		0
Total Restricted funds	15,488	106,786	122,274	0	0
Unrestricted funds					
General fund	118,190	248,842	223,697	(13,100)	130,235
Designated reserves:					
Redundancy	33,000		1,571	8,571	40,000
Playbus & vehicle replacement	18,654		3,183	4,529	20,000
IT & Equipment	4,000				4,000
QA	2,000				2,000
Total unrestricted funds	175,844	248,842	228,451	0	196,235
Total funds	191,332	355,628	350,725	0	196,235

Purposes of restricted funds

Community Initiatives Fund	A grant was received in response to the charity's appeal to raise funds for a new playbus. The asset is now fully depreciated.
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Purposes of designated funds

Redundancy reserve	In accordance with recommended good employment practice, the annual amount changes to reflect the age of each employee as well as their length of time employed.
Other designated reserves	These funds have been set aside to provide for the replacement of certain fixed assets and to provide for future growth.

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