



TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Providing bereaved children
with the support they need **today** for
a brighter **tomorrow**

The Harrys Rainbow Charitable Trust | Charity No. 1149011

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www.harrysrainbow.co.uk

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CHARITY'S GOVERNANCE

As at December 2020, Harry's Rainbow Board consisted of eight Trustees and two non-Trustee members: Odette Mould, the CEO and Lee Mould, Co-founder of the charity.

Trustees, appointed by the existing Trustees, are responsible for the general control and management of the charity, making decisions in line with the charity's constitution.

Trustees	Jane Leggatt	
	Andy (Edward) Perrin	
	Daniel Williams	Appointed 5 January 2020
	Jodie Pritchard	Appointed 19 February 2020
	Paula McGrath	Appointed 25 March 2020
	Ewa Golabek	Appointed 6 May 2020
	Vanessa Holmes	Appointed 7 July 2020
	Khush Vinay Puri	Appointed 9 October 2020
	Lucinda Mobaraki	Resigned 30 th April 2020
	Heidi Math	Resigned 2 nd October 2019
Jake Smith	Resigned 15 th January 2020	
Sarah Harvey	Resigned 18 th February 2020	
Independent examiner	Mr Jones UK Limited	
	12 Eastcliff Southgate Gower SA3 2AS	
Bank	Barclays Bank PLC Leicester LE87 2BB	

OBJECTIVES AND ACTIVITIES

Charity Objects

To relieve children and young people up to the age of 18 who have been bereaved through the loss of a relative, and their families, in particular by:

- Providing support and advice
- Providing recreational and leisure activities to children and young people in order to improve their conditions of life and reduce the isolation felt during bereavement by facilitating contact with other children and young people
- Raising public awareness of the need for support and guidance and providing information about coping with bereavement.

The objects shall focus on beneficiaries in Milton Keynes but are not restricted to that area.

Beneficiary Activities

There is a lack of bereavement support, awareness and understanding for bereaved children and their families, particularly in the importance of meeting others to understand and share experiences, providing resources and accessing relevant support.

It is estimated that 100 parents will die annually leaving 170 dependent children – in Milton Keynes alone. With lack of services and no statutory provision, children and their families are at risk of facing grief alone or travelling to access support in other areas.

We carefully manage our resources, aided by a supportive volunteer community and a highly skilled board of 8 Trustees to manage governance. Many volunteers have been in their position with us for a number of years offering a consistent approach to our beneficiaries. During Covid, we estimate that volunteers collectively spent on average 30 hours each month staying connected with our beneficiaries.

Since March we have developed additional support services to ensure our beneficiaries were still able to access quality support following the postponement of our face to face Rainbow Groups. The groups converted to online and we introduced a buddy programme to keep in touch with parents and carers. We are working closely with a positive mental health organisation to offer one to one and family group mentoring and emotional wellbeing sessions. A Distanced Activity Support Programme was launched in October to further offer connection and activities for bereaved children to undertake at home.

CHAIR'S REPORT

2019/20 Highlights

- Launch of buddy program April 2020
- Launch of Mental Health and emotional wellbeing sessions April 2020
- Supervision and 1-2-1 emotional and wellbeing sessions for staff and volunteers April 2020
- Conversion of Rainbow groups to online April 2020
- Young Adult support group planning launch September 2020

In 2020 Harry's Rainbow maintained new registrations at 80 children. This is in-line with the 2019 figure and therefore we deem this a huge success in the current challenging climate.

In light of the global pandemic the services we provide to beneficiaries had to be quickly adapted to ensure we maintained the excellent level of support we are known for.

Some of the new services include; accentuating the support provided to include mental health and wellbeing for both children and adults, a buddy programme to maintain connection to parents and carers and conversion of the Rainbow group to online facilitation. In addition to these combined services, further services are planned for roll out in FY21, including a Distanced Activity Support Programme and Young Adult Support Group.

- All families benefitting from the Arthur Ellis mentoring reported an increase in their self-esteem in comparison to before the sessions started. An average of **4 sessions each** were received of a total number of 90 funded throughout the Covid pandemic.
- Overall, children reported **an improvement in isolation and loneliness** from attending the online Rainbow groups, of which 18 in total were provided between April and August.
- Volunteers spent an average of 30 hours per month buddying 45 bereaved families between April and August 2020.
- **90% of the buddied families** who responded to our questionnaire said they would recommend it to others.

Beneficiary Feedback:

- *The support you guys have endeavoured to put in place for all of us, in such a short time, is nothing short of phenomenal! Thank you for your creative hive minds working so hard to achieve great things!*
- *I loved being able to hear from a volunteer when things were tough it's nice to know you can still have contact and get advice informally.*



- *Thank you so much for the support you're offering during this crazy time we're all living, it really is a comfort to my family & I.*
- *My son's teacher rang me to say he was telling everyone about Harry's Rainbow and how much he loves it. He also showed them the hand exercise we did on the zoom call. The school are now doing it in their setting.*

Our newly established board have diverse experience across Strategy, Operations, Marketing, HR and Finance, with a clear focus on governance and alignment. This meant that the cancellation of all face-to-face events and reduced corporate income was reviewed quickly and efficiently and the implementation of a short to mid-term plan focussing on trusts and grants opportunities was agreed and set-in motion successfully. The dedicated support of everyone involved has enabled us as a team to challenge Covid-19 head on. However, with that in mind we are remaining realistic as we work on a new fundraising strategy that focuses on maintaining and hopefully increasing income for FY21.

In addition to fundraising, our second focus for 2021 is on the recruitment of a dedicated Family Liaison Officer, as well as the hopeful return of face-to-face facilitated groups after the spring. Until that time, the Distanced Activity Support Programme planned for implementation in October, coupled with online groups, will ensure continued support for beneficiaries. The current pandemic situation will be monitored closely and we will be having regular meetings to plan for the ever-changing landscape we are currently experiencing.

Jodie Pritchard
Chair

1 December 2020

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Jodie Pritchard
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FINANCIAL REVIEW

2019/20 Highlights

- Total net receipts of £22k, £3k / 14% higher year-on-year
- Net operating cashflow of £21k, £2k / 7% down year-on-year
- Income £128k, £19k / 13% down
- Total costs £106k, £22k / 17% down
- Free reserves increased to £92k due to uncertainty around the pandemic

Harry's Rainbow reported a total net cashflow of £22k and total cash funds of £110k for the 2019/20 financial year (FY20), which ended on 30 September 2020. Considering the last nine months of the year have been difficult for us due to Board changes followed by operational and financial challenges posed by Covid-19, we showed our resilience and ability to adapt quickly to new conditions. We managed to run some of our services and fundraising events online which helped sustain our mission in these uncertain times.

Whilst we had to cancel some of our key events and lost £48k in voluntary receipts, we were able to recover some of the losses through grant income, tighter cost control and our strong network of volunteers who support the provision of our core activities and help with the fundraising.

We recognise and greatly appreciate the generosity and loyalty of our various supporters who invested their time and funds in our mission to support bereaved children and their families.

Income

The key source of income for the year were grants which increased to £34k from £6k last year. Our success in sourcing the funds would not be possible without the hard work and dedication of our Events & Fundraising Manager. Our key donors were:

- National Lottery £10k to fund Rainbow Retreat
- National Lottery Community fund of £10k to fund Covid-19 services
- Charities Aid Foundation (CAF) £7k funded core costs for 3 months
- Milton Keynes Community Foundation £6k funded a month of core costs during lockdown as well as Rainbow Groups for FY21.

The biggest losses of income year-on-year were community income (reduced by £47k / 57%) and corporate funds (reduced by £13k / 41%).

Expenditure

Our total costs were £22k lower than last year due to the following:

- We were unable to hold a summer trip and Rainbow groups transferred to online reducing the cost of facilitators and centre hire, leading to a £16k reduction in beneficiary costs.
- Cancellations and delivery of some fundraising events online led to a £14k reduction in fundraising costs.

The reductions were offset by an increase in operating costs driven by:

- Marketing – we are now paying for services that were provided free of charge in previous years. Our website and social media channels require regular updates and content changes as well as integration with the CRM.
- Human Resources fees – a 2-year contract was entered into to aid management of staff, contracts and policies in preparation for growth.
- Accountancy fees – due the volume of work and to improve financial governance, the Board decided to outsource the bookkeeping service to an external accounting firm.

As a result of the reduction of the total income, the Board made a decision to delay the recruitment of a Family Liaison Officer which is currently covered by the CEO.

In recognition of the CEO's achievements to date and following external salary benchmarking, the Board approved an increase to the CEO salary in August.

Looking Ahead

- FY21 financial plan assumes a deficit of over £47k which is driven by an expected loss of fundraising income, recruitment of the Family Liaison Officer and progressing other developments as outlined in our business plan.
- Our fundraising plan will focus on adapting our efforts to continue seeking funding through grants and strengthening our network of corporate supporters, partners and volunteers.
- Our free reserves were increased in FY20 due the uncertainty around the pandemic and to ensure we can cover our running costs for at least the next 12 months.

Reserves Policy

Our cash funds are analysed as follows:

	Current Year
Unrestricted Funds (Reserves)	£92,138
Restricted / Designated Funds:	
- Grants	£5,580
- Project Funds (Beneficiary & CIO)	£10,000
- Committed Funds	£2,000
Total Funds ¹	£109,718
Ratio of Reserves ² to Annual Operating Expenditure ³	1.1

¹ Includes unrestricted, restricted and designated funds

² Unrestricted funds

³ Charitable activities and other operating and administration expenses

Our current unrestricted reserve level is £92k which is in line with our reserves policy range of £88k - £92k. The reserves level have been increased due to the pandemic to cover for annual operating expenses over 12 months. This is to ensure that there is no significant disruption to our charitable activities during the pandemic, to enable us to respond to any unforeseen reduction in income or additional expenditure and to provide the means for the development of our principal activity.

This balance is expected to reduce to £45k due to an expected deficit of £47k over the next 12 months. However, in future years it is expected that income levels will return to normal levels and therefore this balance should then steadily rise again.

We intend to use our free reserves over the next 6-12 months to support the following:

- Recruitment of an additional resource in Q2
- Additional provision for our project fund set aside to cover the development of beneficiary evaluation tools and professional fees to change the charity's legal structure
- Expand support to beneficiaries.

The Board reviews the charity's risks and reserves level monthly and acts accordingly. The reserves policy is reviewed at least every 6 months to ensure that the cash is adequate to fulfil our continuing obligations.

A handwritten signature in brown ink, appearing to read 'Ewa Golabek', with a small circular stamp or mark below it.

Ewa Golabek ACMA

Treasurer

1 December 2020

INDEPENDENT AUDITOR'S REPORT

Independent examiner's report to the trustees of The Harry's Rainbow Charitable Trust

I report to the trustees on my examination of the accounts of The Harry's Rainbow Charitable Trust for the year ended 30 September 2020.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. Accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. The accounts do not accord with those records.

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

Signed:

A handwritten signature in cursive script, appearing to read 'Rhodri Jones'.

Rhodri Jones, Mr Jones UK Limited
Fellow Chartered Accountant (FCA)
12 Eastcliff, Southgate, Gower
18 January 2021

FINANCIAL STATEMENTS

Receipts and Payments Account

For the period 1 October 2019 to 30 September 2020

	Notes	Unrestricted funds	Restricted funds	Total funds FY20	Total funds FY19
		£	£	£	£
Receipts					
Charitable activities	4	52,271	33,245	85,516	62,906
Voluntary receipts	5	35,172	-	35,172	81,812
Other receipts		7,744	-	7,744	3,018
Total receipts		95,187	33,245	128,432	147,736
Payments					
Costs of charitable activities		17,391	10,074	27,465	43,408
Fundraising costs		10,348	-	10,348	24,144
Governance costs		50,884	17,591	68,475	60,707
Total payments		78,623	27,665	106,288	128,259
Net receipts / (payments)		16,564	5,580	22,144	19,477
Cash funds last year end		88,202	-	88,202	68,725
Cash funds this year end		104,766	5,580	110,346	88,202

Statement of Assets and Liabilities

As at 30 September 2020

	Notes	Unrestrict ed funds	Restricted funds	Total funds FY20	Total funds FY19
		£	£	£	£
Total Fixed Assets	6	11,508	-	11,508	15,061
Current Assets					
Cash at bank and in hand		104,766	5,580	110,346	88,202
Accrued Income		-	-	-	903
Prepayments		-	-	-	230
Total Current Assets		104,766	5,580	110,346	89,335
Total Assets		116,274	5,580	121,854	104,396
Creditors: amounts falling due within one year		628	-	628	4,113
Total Assets less Current Liabilities		121,226	-	121,226	100,283
Net Assets		121,226	-	121,226	100,283
Funds	7				
Current Year Funds		20,944	-	20,944	16,123
Retained Funds		100,283	-	100,283	84,159
Total funds this year end		121,226	-	121,226	100,283

NOTES TO FINANCIAL STATEMENTS

1. Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with:

- Financial Reporting Standard for Smaller Entities (effective April 2008)
- Accounting and Reporting by Charities - Statement of Recommended Practice (SORP 2015); and
- The Charities Act 2011.

2. Taxation

The charity is exempt from corporation tax.

3. Remuneration of Trustees and Benefits

Services purchased from a Trustee's business in the year amounted to nil for the year ended 30 September 2020 (FY19 - £0).

4. Charitable Activities

Income analysis was restated for FY19 in line with the Charity's Commission guidance on income classification.

	Unrestricted funds £	Restricted funds £	FY20 £	FY19 £
Grants	1,000	33,245	34,245	5,772
Other Income	599	-	599	95
Total Income	1,599	33,245	34,844	5,867

5. Voluntary Income

	Unrestricted funds £	Restricted funds £	FY20 £	FY19 £
Community	35,172	-	35,172	81,812
Events	32,510	-	32,510	25,385
Corporate	18,760	-	18,760	31,750
Other	7,145	-	7,145	2,923
Total Income	93,588	-	93,588	141,870

6. Fixed Assets

2019/20 assets were increased as a result of addition of a static caravan at NBV of £10,598. The caravan has been held on behalf of the charity since November 2014 and its value was expensed in error in 2014/15 accounts. The error has been corrected and prior year comparatives restated in line with the accounting standards.

7. Cash Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of grants held for specific purposes:

	Balance 01-Oct-19 £	Receipts £	Payments £	Transfers between funds £	Balance 30-Sep-20 £
Unrestricted Funds	88,202	95,187	(78,623)	-	104,766
Restricted Funds		33,245	(27,665)	-	5,580
	88,202	128,432	(106,288)	-	110,346



DECLARATION

The trustees declare that they have approved the Trustees' report and the financial statements (page 11-12).

Signed on behalf of the charity's Trustees

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Jodie Pritchard

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Jodie Pritchard

Chair

30 January 2021