Company registration number 11297646 (England and Wales)

Charity registration number 1181195 (England and Wales)

RAINBOW LIVING SW

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

RAINBOW LIVING SW

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Chew R Airdrie D Hopton J Pinniger V Symons A Furnival S Lampey
Charity number (England and Wales)	1181195
Company number	11297646
Principal address	104 Sweetbrier Lane Exeter EX1 3AR
Registered office	104 Sweetbrier Lane Exeter EX1 3AR
Auditor	James Welton BA (Hons) FCA CTA Simpkins Edwards LLP The Summit Woodwater Park Pynes Hill Exeter EX2 5WS

RAINBOW LIVING SW

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RAINBOW LIVING SW

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2026

The trustees present their annual report and financial statements for the year ended 31 March 2026.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity’s activities are the provision of practical assistance and support for people with disabilities. Rainbow Living looks to provide, manage and maintain supported living accommodation for people with disabilities to move on from full-time education and/or from their parental home into their own tailored living space. Thus, enables them to achieve their full potential by developing their abilities and skills, living as independent a life as the individual's disability will permit.

Purpose

Rainbow Living is a volunteer-led charity that provides safe, supported housing for adults with learning disabilities across Devon. We create homes where individuals can thrive, grow in independence, and feel part of a vibrant community. Rainbow Living currently manages five houses in Devon, four in Exeter and one in Torbay – providing supported living accommodations for 24 adults with learning and a range of other disabilities.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Rainbow Living SW has demonstrated public benefit with employment possibilities in the community, through the care providers Thera South West and Voyage Care. In this financial year, we have five houses offering supported living places with security of tenure for up to 24 tenants. This has continued to increase our public benefit in the community, meeting the needs of more learning-disabled young adults and their families, and providing additional employment opportunities for support staff in the Exeter and Torbay areas.

Achievements and performance

Significant activities and achievements against objectives

In November 2025, Rainbow Living was honoured and privileged to be awarded the Kings Award for Voluntary Services. Often described as the MBE for voluntary organisations, the King's Award recognises the outstanding dedication and impact of our volunteers, trustees, and supporters who, for nearly two decades have worked tirelessly to create the life changing impact of inclusive housing and supportive communities for individuals with learning disabilities.

In September 2025, the charity appointed an 0.8 whole time equivalent Operations Manager. The role is wide and diverse and covers management of the property portfolio in terms of maintenance, health and safety responsibilities and the ongoing upkeep of our houses. Additionally, tenant welfare and liaison with our care providers is an essential element together with policies, marketing and PR - mainly focusing on social media and communication with our supporters. Leandra Sims has settled well into the role and has brought a wealth and experience from previously working for a care provider. Leandra is also the Data Processor for Rainbow Living with Dave Hopton as the Data Controller. The role will also ensure that trustees/directors are kept well informed about changes in the environment and legislation in which the charity operates.

The Chair, Abbie Furnival, has extended her term of office of one year until a replacement is found. We are indebted to her for this and to Barbara Hodder who undertakes the role of minute taker for the charity.

Operations and Property Group has:

- Overseen tenancies and rent arrangements.
- Updated key policies this year including Risk Management, Protection of Adults at Risk of Harm and Social Media Policies.
- Renewed insurance and ensured sufficient cover is in place to protect the charity’s interests.
- Developed and implemented the annual property work programme.
- Managed the budget for repairs, maintenance, and improvements across the five Rainbow Houses.

We currently have a vacancy in our Torquay property, which we aim to fill as soon as possible. We have had a change of tenancy in our fourth Rainbow house and welcomed a new tenant. A new member joined the Operations and Property Group – James Jacobs with the complimentary skill set of being an experienced landlord in the private rental sector.

Finance Team

The Finance Team has continued to oversee budgets and financial planning, ensuring good stewardship of resources.

Fundraising

The Fundraising sub-team of the Finance Team has developed local fundraising initiatives, including the Rainbow Builders Giving Programme. Our Rainbow Builders, through their monthly contributions, donated £14,142 this year—representing 55% of our total giving income. We are incredibly grateful for their consistent support and helping hope go further.

The Fundraising Team raised an additional £3,560 through various community activities. Key fundraising events included:

- A Vineyard Tour, Tea & Taste event – raised £642.
- Board Games Night: A fun event where attendees enjoyed coffee, cake, and games – raised £571.
- Johnathan’s 12-hour swim fundraiser donated £476 for the charity.
- Online Book Sales and Homemade Marmalade: Volunteer Ruth Hathaway raised £466 from books and £441 from marmalade sales.

We are indebted to the small group of volunteers who support our fundraising efforts, helping generate income and spread awareness of Rainbow Living’s work. We are particularly grateful to Ruth Hathaway who is chair of the Fundraising Group and works tirelessly to raise funds to further support the work of the charity.

Marketing and PR

The Operations Manager undertakes these elements of work focusing on social media, the charity newsletter and promotional material for fundraising and updating the website.

Social Impact Strategy

Last year, Rainbow Living developed its Social Impact Strategy to evaluate the effect of our work on beneficiaries, promote accountability, identify areas of improvement and guide the use of limited resources.

This year we have developed this further with our Social Impact Development Framework. The purpose of this framework is to strengthen Rainbow Living's ability to evidence its social impact. This will reduce reliance on care providers for insight and increase direct engagement with tenants. It has also built stronger relationships with families and volunteers ensuring the charity can demonstrate public benefit clearly and consistently. This will create a sustainable model that can grow as the organisation grows. It is intentionally light-touch and achievable within current operational capacity, while still providing meaningful, high-quality insight.

This framework sets out a structured, proportionate, and sustainable approach to social impact activity. It introduces four initiatives that together will enhance tenant voice, improve insight, and strengthen community engagement. These initiatives are:

1.**My Week, My Independence** – tenant-led photo submissions.

The aim of this is to empower tenants to share aspects of their daily lives directly with Rainbow Living, providing authentic insight into independence, wellbeing, and home life.

2. **Tenant Ambassador Model** – peer-supported participation.

This reduces bias in social impact data by including a wider range of tenants. It will encourage peer relationships, confidence and supports skill development and independence. It reflects co-production principles widely used in supported living, building a sense of community and shared ownership.

3. **Annual Tenant Celebration Event** – community connection and impact gathering in order to bring tenants, parents, volunteers, and Rainbow Living together in a positive, inclusive environment that celebrates tenants and strengthens community relationships.

4. **Three Social Impact Questionnaires** – for tenants, care providers, and parents.

For tenants to understand how tenants feel about their home, independence, safety, and wellbeing.

For parents to understand family perspectives on their loved one's home, wellbeing, and experience of Rainbow Living.

For care providers to gather professional insight into how tenants are managing, what is working well, and any concerns relating to the home environment.

These initiatives reflect best practice across specialist supported housing providers and align with Charity Commission expectations around public benefit, stakeholder involvement, and evidence-based reporting.

This work is currently being developed during 2026 and will be reported on in the Trustees Annual Report of 2027-2028.

Potential tenants

Rainbow Living remains a point of contact for families exploring supported living options. We maintain a waiting list, which is refreshed annually to reflect current demand. Currently the charity has twenty perspective tenants on its waiting list with adults with learning disabilities at various stages of their journey to transition to supported living. Although demand for further housing is evident Rainbow Living is currently consolidating its position as a charity and our future direction is to ensure sustainability and address current needs. This was the outcome of a Directors Away Day in March 2026.

Current project and work stream

The project that Rainbow Living has been working on this year and will be next year is to provide an extension for a new bedroom at our first Rainbow House in Exeter.

This project will directly improve the quality of life for two tenants who also currently share a bathroom, despite having very different support needs and personal circumstances. At present, the shared bathroom contains two separate baths to meet each tenant's requirements. While this has served as a temporary solution, it is far from ideal in terms of privacy, dignity, and safety. One tenant has highly complex physical and health needs, requiring a hospital bed, overhead tracking, and other specialist equipment to support daily care in his bedroom. The current space is simply not fit for purpose. An Occupational Therapist and the Care Provider have undertaken risk assessments related to this project. They raised several issues concerning the care provision in supporting our wheelchair tenant in his bedroom which were given various risk ratings.

The main concern is the lack of space to provide the care required for a wheelchair person. The present bedroom size does not comply with current requirements, hence, the concern from staff and health professionals (Ref The Building Regulations 2010 Access to and use of buildings M4(3) Category 3: wheelchair user dwellings). The planned extension negates these risks and concerns and is of adequate size. The proposed extension will create a new, purpose-built bedroom and private bathroom tailored to this tenant's medical and physical needs. This will enhance his comfort and dignity while allowing his support team to work more safely and effectively. His bedroom also serves as a space for meals and therapeutic interventions such as massage, stretching, and chest drainage exercises.

The extension will also greatly benefit the second tenant, who will regain full and private use of the existing bathroom as the existing bedroom will become another bathroom for the first tenant, improving their independence and day-to-day wellbeing.

This project is about much more than bricks and mortar - it's about creating a home where people with learning disabilities can live with the respect, safety, and independence they deserve. It reflects Rainbow Living's deep commitment to person-centred housing.

The cost of the project is estimated to be £114,000 and will commence in June 2026. The charity is using charity reserves to fund together with grant applications. Rainbow Living is very grateful to the Clare Milne Trust for granting £20,000 and the Brenda Winter Deceased Trust for gifting £50,000 towards the project too.

Annual General Meeting

Our AGM was held in September 2025 and was well attended by 37 people. It was an informative celebration of the work of the charity with reports on the tenant survey, finance, fundraising and updates from our five houses. The tenants shared their favourite things and future achievements and celebrations. Appreciation was also given to the care providers for their wonderful, dedicated staff. Our new Operations Manager was able to be introduced to the charity’s supporters, tenants and parents of tenants.

Financial Position

The charity remains on solid financial footing. Tenants pay rent mainly via their Housing Benefit or Universal Credit and local fundraising initiatives are undertaken together with our Rainbow Builders monthly giving programme. This income supports:

· Mortgage payments on Rainbow Houses One and Four.

· Property maintenance and improvement.

· The charity’s broader mission and objectives.

Expenditure will be greater than income in next financial year 2026-2027 due to the extension being undertaken at Rainbow House One. This is anticipated to be in the region of £86,000. The charity reserves can accommodate this expenditure and therefore, does not place the charity at any financial risk.

Risk Management

The Directors are responsible for risk management and regularly assess risks facing the charity. As part of an ongoing process, they ensure that adequate systems and procedures are in place to mitigate identified risks.

Conclusion

Rainbow Living continues to thrive. As we look to the future, we do so with excitement and anticipation of building an even more sustainable foundation. The charity remains volunteer-led, relying on generous individuals who contribute time, skills, and energy to all aspects of our fundraising and administration. This is done in parallel with the Operations Manager's role and responsibilities.

We remain deeply grateful to every volunteer, donor and supporter who enables Rainbow Living to provide homes and hope for adults with learning disabilities.

Financial review

Reserves policy

The charity's effective reserves, being debtors and cash, as at 31 March 2026 totalled £318,982 (2025: £191,017).

Funds will be used for the maintenance and development of the charity's properties and to service the loans on 1, The Mede and 35 Couper Meadows. Additionally, funds are required to pay for staff, the extension at 1 the Mede and increase the charity's sustainability for future needs.

Reserve funds for 6 months running costs amount to £90,716.

Structure, governance and management

Rainbow Living SW was incorporated as a company limited by guarantee on 07 April 2018 and registered as a charity on 17 December 2018. The company was established under a Memorandum of Association which established its objectives and powers of the charitable company, and is governed under its Articles of Association.

Rainbow Living SW is governed by a Board of Directors. The directors of the company are also charity trustees for the purpose of charity law. The minimum number of directors must be 5.

We continue to operate through various teams working on Operations and Property, Finance, and Fundraising, with sub-teams covering Local Fundraising, and Marketing and Communications. All major decisions are taken at the Director level.

The Charity is run by seven trustees/directors and employs one part time employee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Chew
R Airdrie
D Hopton
J Pinniger
V Symons
A Furnival
S Lampey

Recruitment and appointment of trustees

Recruitment of new directors is usually through known contacts and recommendations together with an interview by other directors and shadowing at Board meetings.

New directors (trustees) are appointed by existing directors at a Directors meeting.

In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

Auditor

In accordance with the company's articles, a resolution proposing that Simpkins Edwards Audit LLP be reappointed as auditor of the company will be put at a Directors Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

A Furnival
Trustee

S Lampey
Trustee

4 June 2026

RAINBOW LIVING SW

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2026

The trustees, who are also the directors of Rainbow Living SW for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RAINBOW LIVING SW

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAINBOW LIVING SW

Opinion

We have audited the financial statements of Rainbow Living SW (the 'charity') for the year ended 31 March 2026 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. 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 31 March 2026 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charitable company through discussions with the Trustees and other management, and from our knowledge and experience of the charity;
- We focused on specific laws and regulations which we considered may have a direct, material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, data protection, anti-bribery and health and safety guidance;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management, reviewing correspondence with industry regulators, and inspecting legal correspondence; and
- Documented our findings on our audit file and considered the implications for our audit report.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud or error might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud, or error or mistake, and
- considering the internal controls in place to mitigate risks of fraud, error or mistake.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiry of management as to actual and potential litigation and claims and related notifications; and
- reviewing correspondence with HMRC, relevant regulators and legal advisors.

There are inherent limitations in our audit procedures described above. For example, non-compliance with non-financial laws and regulations are likely to be harder for us to identify or to quantify.

Material misstatements that arise due to fraud are often harder to detect than those that arise from error or mistake, as the transactions carried out to commit such offences often involve the deliberate concealment or removal of charity assets or collusion from those charged with governance in such acts.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters

Comparative figures

The comparative figures in these financial statements were not audited. However, this has not resulted in a qualification of this audit report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Welton BA (Hons) FCA CTA (Senior Statutory Auditor)
for an on behalf of Simpkins Edwards Audit LLP 8 June 2026

Chartered Accountants
Statutory Auditor

The Summit
Woodwater Park
Pynes Hill
Exeter
EX2 5WS

RAINBOW LIVING SW

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Income from:							
Donations and legacies	**3**	29,426	70,000	99,426	30,647	2,113	32,760
Charitable activities	**4**	205,231	-	205,231	183,026	-	183,026
Other trading activities	**5**	3,561	-	3,561	4,096	-	4,096
Investments	**6**	4,686	-	4,686	3,573	-	3,573
Total income		242,904	70,000	312,904	221,342	2,113	223,455
Expenditure on:							
Raising funds	**7**	247	-	247	216	-	216
Charitable activities	**8**	212,264	-	212,264	170,078	313	170,391
Total expenditure		212,511	-	212,511	170,294	313	170,607
Net income		30,393	70,000	100,393	51,048	1,800	52,848
Transfers between funds		-	-	-	1,800	(1,800)	-
Net movement in funds		30,393	70,000	100,393	52,848	-	52,848
Reconciliation of funds:							
Fund balances at 1 April 2025		2,622,515	-	2,622,515	2,569,667	-	2,569,667
Fund balances at 31 March 2026		2,652,908	70,000	2,722,908	2,622,515	-	2,622,515

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

RAINBOW LIVING SW

BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Fixed assets					
Tangible assets	**13**		3,024,998		3,094,872
Current assets					
Debtors	**14**	3,526		3,222	
Cash at bank and in hand		315,456		187,795	
		318,982		191,017	
Creditors: amounts falling due within one year	**16**	(62,665)		(53,071)	
Net current assets			256,317		137,946
Total assets less current liabilities			3,281,315		3,232,818
Creditors: amounts falling due after more than one year	**17**		(558,407)		(610,303)
Net assets excluding pension liability			2,722,908		2,622,515
Net assets			2,722,908		2,622,515
The funds of the charity					
Restricted income funds	**18**		70,000		-
Unrestricted funds	**19**		2,652,908		2,622,515
			2,722,908		2,622,515

The notes on pages 14 to 24 form part of these financial statements.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2026, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.
The financial statements were approved by the trustees on 4 June 2026

A Furnival
Trustee

S Lampey
Trustee

Company registration number 11297646 (England and Wales)

1 Accounting policies

Charity information

Rainbow Living SW is a private company limited by guarantee incorporated in England and Wales. The registered office is 104 Sweetbrier Lane, Exeter, EX1 3AR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Rental income and monies raised from fundraising are accounted for on a receivable basis.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Plant and equipment	25% reducing balance
Fixtures and fittings	15% reducing balance
Computers	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

As a charity, Rainbow Living SW is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable purposes. No tax charges have arisen in the charity.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Freehold property

In preparing the financial statements, the Trustees made judgements regarding the fair value of the freehold property. The amount included in the financial statements was deemed to be fair value, based on the opinion of the chartered surveyors' valuation.

3 Income from donations and legacies

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Donations and gifts	29,426	70,000	99,426	30,647	2,113	32,760

4 Income from charitable activities

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Property		
Charitable rental income	205,231	183,026

5 Income from other trading activities

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Fundraising events	3,561	4,096

6 Income from investments

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Other income	4,686	3,573

7 Expenditure on raising funds

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Fundraising and publicity		
Other fundraising costs	247	216

8 Expenditure on charitable activities

	Charitable expenditure 2026	Charitable expenditure 2025
	£	£
Direct costs		
Staff costs	23,835	10,893
Depreciation and impairment	76,720	78,383
Council tax	7,521	7,152
House and garden maintenance	46,549	18,672
Printing, postage and stationery	941	48
Computer support	487	525
Professional fees	778	1,058
Audit and accountancy fees	7,800	1,000
Insurance	10,463	9,316
Licenses and subscriptions	2,376	1,530
Sundries	-	49
Loan interest	34,734	41,264
Bank charges	60	188
Arts and craft activities	-	313
	212,264	170,391
Analysis by fund		
Unrestricted funds	212,264	170,078
Restricted funds	-	313
	212,264	170,391

9 Auditor's Remuneration

Fees payable to the charity's auditor/independent examiner and associates:	2026 £	2025 £
For audit services		
Audit of the financial statements of the charity	5,700	-
For other services		
Accountancy services	1,500	1,200

The 2025 comparative figure is in relation to independent examination fees, as opposed to audit fees.

10 Trustees

One Trustee was reimbursed £1,600 (2025: £165 to 1 Trustees) for expenditure incurred in relation to the charity's activities.

The trustees' insurance includes trustee indemnity insurance.

11 Employees

The average monthly number of employees during the year was:

	2026 Number	2025 Number
	1	1

Employment costs	2026 £	2025 £
Wages and salaries	23,267	10,700
Other pension costs	568	193
	23,835	10,893

There were no employees whose annual remuneration was more than £60,000.

12 Gains on revaluation of fixed assets

The properties were revalued on 6 February 2024 by Richard Morley, Chartered Surveyor to an aggregated value of £1,675,000. A revaluation reserve was therefore been established, consisting of the original cost and accumulated depreciation to 6 February 2024, totalling £581,925. The trustees have assessed the value of these properties and are satisfied it remains the same at 31 March 2026.

13 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2025	3,096,825	40,008	156,333	-	3,293,166
Additions	4,354	673	1,131	688	6,846
At 31 March 2026	3,101,179	40,681	157,464	688	3,300,012
Depreciation and impairment					
At 1 April 2025	92,391	27,467	78,436	-	198,294
Depreciation charged in the year	61,784	3,133	11,666	137	76,720
At 31 March 2026	154,175	30,600	90,102	137	275,014
Carrying amount					
At 31 March 2026	2,947,004	10,081	67,362	551	3,024,998
At 31 March 2025	3,004,434	12,541	77,897	-	3,094,872

Land and buildings with a carrying amount of £1,117,246 were revalued at 6 February 2024 by Richard Morley, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

14 Debtors

	2026	2025
Amounts falling due within one year:	£	£
Trade debtors	958	1,371
Prepayments and accrued income	2,568	1,851
	3,526	3,222

15 Loans and overdrafts

	2026	2025
	£	£
Bank loans	608,072	657,736
Payable within one year	49,665	47,433
Payable after one year	558,407	610,303
Amounts included above which fall due after five years:		
Payable by instalments	359,746	252,954

The Lorarine Trust
A loan of £450,000 was established with the Loraine Trust for the purchase of a property costing £465,000. The loan is due for repayment on 28 June 2032.

Further advancements of £37,000 (agreed in 2013) and £100,000 (agreed in 2023) in relation to the mortgage on the same property were carried out under the same terms and conditions as the original loan.

A balance of £227,533 was outstanding at the year-end. Interest is payable on this loan on a quarterly basis at 4% per annum. The interest due at the balance sheet date has been included in accruals.

The loan is secured on the property to which it relates.

CAF Bank
A loan of £300,000 was established with CAF Bank Ltd for the purchase of a property costing £585,000. The loan is due for repayment on 06 September 2039.

A further advancement of £155,000 was agreed in 2023 in relation to the mortgage on the same property. The advancement is due for repayment on 19 November 2043.

A balance of £380,538 was outstanding at the year-end. Interest is payable on the original loan on a monthly basis at 4.25% per annum and at 5.25% on the advancement. The interest due at the balance sheet date has been included in accruals.

The loan is secured on the property to which it relates.

16 Creditors: amounts falling due within one year

	Notes	2026	2025
		£	£
Bank loans	**15**	49,665	47,433
Other taxation and social security		2,144	-
Other creditors		-	602
Accruals and deferred income		10,856	5,036
		62,665	53,071

17 Creditors: amounts falling due after more than one year

	Notes	2026 £	2025 £
Bank loans	**15**	558,407	610,303

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2025 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2026 £
The Mede - Extension Works	-	70,000	-	-	70,000

Previous year:	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Arts and Crafts	-	313	(313)	-	-
The Mede - Bath	-	1,800	-	(1,800)	-
	-	2,113	(313)	(1,800)	-

In the year, donations amounting to £70,000 were received from supporters to be spent on extensions works to Rainbow House 1, The Mede. Works are due to occur in the year-ending 31 March 2027.

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2025 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2026 £
Roof repair fund	11,004	380	-	-	11,384
General funds	2,611,511	242,524	(212,511)	-	2,641,524
	2,622,515	242,904	(212,511)	-	2,652,908

19 Unrestricted funds **(Continued)**

Previous year:	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
Roof repair fund	-	-	-	11,004	11,004
General funds	2,569,667	221,342	(170,294)	(9,204)	2,611,511
	2,569,667	221,342	(170,294)	1,800	2,622,515

The Trustees set up a designated fund in 2024/2025 to be spent on roof repairs for the charity's properties, starting with the replacement of the roof at 105 Hill Barton Road. The current balance on the Redwood 95 Day Notice bank account is to be designated for the roof repairs fund. A further £5,000 per annum will be designated each year from 2026/27.

20 Analysis of net assets between funds

	Unrestricted funds 2026	Restricted funds 2026	Total 2026
	£	£	£
At 31 March 2026:			
Tangible assets	3,024,998	-	3,024,998
Current assets/(liabilities)	186,317	70,000	256,317
Long term liabilities	(558,407)	-	(558,407)
	2,652,908	70,000	2,722,908

	Unrestricted funds 2025	Restricted funds 2025	Total 2025
	£	£	£
At 31 March 2025:			
Tangible assets	3,094,872	-	3,094,872
Current assets/(liabilities)	137,946	-	137,946
Long term liabilities	(610,303)	-	(610,303)
	2,622,515	-	2,622,515

21 Related party transactions

Three trustees have children who are tenants of The Mede. Rental income received from trustees' children totalled £29,908 in the year (2025: £25,601). All rental income is charged at a commercial rate.

The spouse of one trustee has provided electrical and plumbing services in relation to two of the charity's properties. There were four transactions totalling £28 in the year (2025: £180), and this included both labour and materials.

The spouse of one trustee has provided renovation works in relation to two of the charity's properties. There were two transactions totalling £17,360 in the year (2025: £NIL), and this included both labour and materials.

£4,348 was received in donations from trustees and related parties without conditions during the year (2025: £3,993).

22 Connected charities

The charity has links with the charity 'Voyage Care' and 'Thera South-West'. They provide staff and pay the staff costs, which support the tenants in daily living.