



...from hurt, through healing, to hope

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC

FINANCIAL STATEMENTS

31 AUGUST 2004

**Company Registration Number 03231375
Charity Number 1058476**



Spenser, Wilson & Co.
(incorporating Baker, Crosland & Helliwell)
Chartered Accountants

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

CONTENTS	PAGE
Members of the board and professional advisers	1
Trustees annual report	2
Statement of trustees responsibilities	6
Independent auditors' report	7
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

The board of trustees

S Y Marta
J A Collings
F McDermott
J Rawsthorne
S Blunden

Management committee

S O'Neill
P Lynch
P Kohlbecker
D Seddon
E Foley
P Daly
T Emms

Company secretary

J F Lynch

Registered office

11 Madison Avenue
Cheadle Hulme
Cheadle
SK8 5DF

Auditors

Spenser, Wilson & Co.
Chartered Accountants
& Registered Auditors
Carlton Villa
Carlton Street
Halifax
West Yorkshire
HX1 2AL

Bankers

HSBC
High Street
Rushden
Northamptonshire
NN10 0NP

Solicitors

Brabners Chaffe Street
1 Dale Street
Liverpool
L2 2ET

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2004

The trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 August 2004.

INTRODUCTION

The Company is a charity, registration number 1058476.

LEGAL STATUS

The Company is a Company Limited by guarantee, registered in the United Kingdom, company registration number 03231375.

OBJECTS, PRINCIPAL ACTIVITIES AND ORGANISATION OF THE COMPANY'S WORK

The Company is a Company Limited by guarantee and is therefore governed by a Memorandum and Articles of Association. The Board of Trustees is elected by the membership of the Company.

The Board of Trustees manages the business of the Company and where necessary delegate their powers to committees for specific tasks to be carried out. The Board of Trustees meets regularly to oversee the work of the Management Committee who also meet regularly with specific members responsible for training, finance, fundraising and resources.

The Company's principal object and principal activity is to promote education and to preserve and protect the good health of children, young people and adults who have lost a close relative or loved one through death, divorce or other adverse circumstance.

The Company provides materials and training to schools and other institutions who seek to work explicitly and in a structured way with children and young people who are experiencing grief.

There have been no material changes in the objectives or policies of the Company in this year.

The Company is a subsidiary of Rainbows for All God's Children Inc. and supplies materials to Rainbows Ireland. Both of these Charities have similar objectives to the Company.

DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS THIS YEAR

The number of primary volunteers has been increased again with a strengthening of the relevant support systems. The number of sites providing our service to children has increased to about 450. Internal and external communication routes have also been strengthened.

New resources have been developed and published so that we are better able to extend our service to community schools.

We are grateful to our volunteers at national, regional and local levels who take our service to children.

During the year in question, due to lease terminations, the Charity moved its resource centre from Northamptonshire to Luton. This necessitated a change of personnel at short notice. After a settling in period the service provided is now better than ever.

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2004

TRANSACTIONS AND FINANCIAL POSITION

The operating surplus for the year was £21,577, to carry forward to the ensuing year. Reserves at the year end were £126,767 which are to be used to finance additional projects, trading in the ensuing year and as a backup reserve.

The Company's funds have been applied to provide support and assistance to young people and adults who have lost a close relative or loved one through death, divorce or other adverse circumstance.

The Company has unpaid volunteers to run its various activities such as volunteers working in schools and organisations in which the training by the Company has taken place.

RELATED PARTY

The company is a subsidiary company of Rainbows for all Gods Children Inc. incorporated in the State of Illinois (file no. 5321-314-6), who is the Company's sole full member. Copies of accounts of Rainbows for all Gods Children Inc can be obtained from 2100 Golf Road, Room 370, Rolling Meadows, Illinois 60008, USA.

RESERVES

It is the policy of the charity to maintain unrestricted funds at a level which equate to at least 6 months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs. Unrestricted funds are maintained to at least this level throughout the year.

GRANTS OF MONEY

The Company did not make any grants of money in the year.

RESULTS

The results for the year, and the charity's financial position at the end of the year are shown in the attached financial statements.

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2004

THE TRUSTEES

The trustees who served the charity during the period were as follows:

S Y Marta
J A Collings
F McDermott
E F Martin
J Rawsthorne
S Blunden

E F Martin retired as a trustee on 14 March 2005.

BOARD OF TRUSTEES AND THEIR INTERESTS

The Directors of the company are also trustees of the Charity and there are no other trustees.

The Board of Trustees are all associate members of the Company.

RISK MANAGEMENT

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the Charity and confirm that they have established systems to mitigate the significant risks.

PAYMENTS RELATING TO THE BOARD OF TRUSTEES

The Income and Property of the Company could be applied to the payment of any premium in respect of any indemnity insurance to cover the liability of the Board of Trustees (or any of them) which by virtue of any rule of law would otherwise attach to them in respect of any negligence default, breach of trust or breach of duty of which they may be guilty in relation to the Association. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Board of Trustees (or any of them) knew to be a breach of trust or breach of duty or which was committed by the Board of Trustees (or any of them) in reckless disregard of whether it was a breach of trust or breach of duty or not.

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2004

AUDITORS

A resolution to re-appoint Spenser, Wilson & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
11 Madison Avenue
Cheadle Hulme
Cheadle
SK8 5DF

Signed on behalf of the trustees



.....
J Rawsthorne

Authorised to sign on behalf of all members
of the Board of Trustees

Names of Trustees on the date the report was approved:

S Y Marta
J A Collings
J Rawsthorne
F McDermott
S Blunden

Approved by each and every member of the Board of Trustees on 6 June 2005

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2004

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 at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those 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;

state whether applicable 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 its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees 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.

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC

YEAR ENDED 31 AUGUST 2004

We have audited the financial statements on pages 9 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 13.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

The trustees' (who also act as Directors for the charitable activities of the company) responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

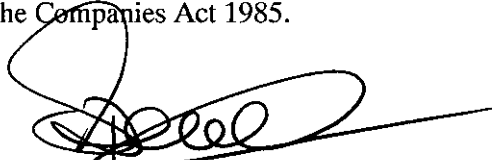
**RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC *(continued)***

YEAR ENDED 31 AUGUST 2004

OPINION

In our opinion the financial statements give a true and fair view of the charity's state of affairs as at 31 August 2004 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SPENSER, WILSON & CO.
Chartered Accountants
& Registered Auditors

Carlton Villa
Carlton Street
Halifax
West Yorkshire
HX1 2AL

18 June 2005

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2004

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
INCOMING RESOURCES					
Donations	2	39,605	–	39,605	57,235
Activities in furtherance of the charity's objects:					
Charitable trading income	3	95,154	–	95,154	86,523
Interest receivable	4	988	–	988	1,531
TOTAL INCOMING RESOURCES		135,747	–	135,747	145,289
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising and publicity	5	–	–	–	6,310
Charitable expenditure:					
Costs in furtherance of charitable objects	6	90,524	–	90,524	101,727
Management and administration	7	23,646	–	23,646	15,681
TOTAL RESOURCES EXPENDED	8	114,170	–	114,170	123,718
NET INCOMING RESOURCES FOR THE YEAR	10	21,577	–	21,577	21,571
Balances brought forward		103,588	1,602	105,190	83,619
Balances carried forward		125,165	1,602	126,767	105,190

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 11 to 18 form part of these financial statements.

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 AUGUST 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	11	1,978	3,055
CURRENT ASSETS			
Stocks	12	48,778	44,212
Debtors	13	7,155	12,276
Cash at bank and in hand		80,522	71,633
		<u>136,455</u>	<u>128,121</u>
CREDITORS: Amounts falling due within one year	14	<u>(11,666)</u>	<u>(25,986)</u>
NET CURRENT ASSETS		124,789	102,135
NET ASSETS		<u>126,767</u>	<u>105,190</u>
FUNDS			
Unrestricted:			
Designated funds	16	11,356	—
Other charitable funds		113,809	103,588
Restricted	17	1,602	1,602
TOTAL FUNDS		<u>126,767</u>	<u>105,190</u>

These financial statements were approved by the members of the committee on the 6 June 2005 and are signed on their behalf by:



.....
J Rawsthorne

The notes on pages 11 to 18 form part of these financial statements.

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Companies Act 1985.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Depreciation

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

Equipment - over 4 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

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

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

1. ACCOUNTING POLICIES *(continued)*

Donations, legacies, and similar incoming resources

Donations, legacies and other similar incoming resources are taken to the credit of the income and expenditure account when they are receivable.

Gifts and intangible income

Gifts and intangible income are taken to the credit of the income and expenditure account when they are received at a value equivalent to the trade cost of those gifts or intangible income at date of receipt.

Grants receivable

Grants receivable for revenue expenditure are taken to the credit of the income and expenditure account when they are accrued. Grants for capital expenditure are deferred and included in the income and expenditure account by instalments over the expected useful lives of the related assets.

Deferred income

Deferred income is included in respect of contractual incoming resources received or invoiced in advance.

Netting off expenses and related income

Expenditure and related income is not netted off unless the amounts involved are immaterial.

Cost of generating funds

Cost of generating funds consists of any items of expenditure which are directly expended on fund raising activities.

Expenditure

Expenditure has been charged to the income and expenditure account on an accruals basis exclusive of VAT that can be recovered. Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these reserves.

Expenditure on management and administration of the charity

Administration expenditure includes all expenditure not directly related to the charitable activity or fundraising ventures. This includes cost of running office premises, staff salaries for administrative staff, audit fees, and apportioned expenditure relating to management and administration.

Foreign exchange transactions

Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates. All revaluation differences are taken to income and expenditure.

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

1. ACCOUNTING POLICIES *(continued)*

Cost of generating funds

Costs of generating funds consists of any items of expenditure which are directly expended on fund raising activities.

Tangible fixed assets

Equipment is stated at cost.

Capitalisation of fixed assets

Fixed assets are capitalised and the relevant expenditure is incurred on an accruals basis.

Pension costs

The pension costs charged against income are contributions payable in the accounting period.

Taxation

As a charity the company is generally exempt from corporation tax but not from VAT.

2. DONATIONS

	Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
	£	£	£	£
Gift Aid donations	370	-	370	-
Donation from Good Shepherd	10,000	-	10,000	-
Donation from The 29th May 1961 Charitable Trust	3,000	-	3,000	3,000
Donation from Anglo Irish Secular	11,356	-	11,356	-
Other donations	14,879	-	14,879	14,235
Sisters of Mercy	-	-	-	40,000
	<u>39,605</u>	<u>-</u>	<u>39,605</u>	<u>57,235</u>

3. CHARITABLE TRADING INCOME

	2004	2003
	£	£
Trading activities	<u>95,154</u>	<u>86,523</u>

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC **COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

4. INTEREST RECEIVABLE

	Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
	£	£	£	£
Bank interest receivable	<u>988</u>	<u>-</u>	<u>988</u>	<u>1,531</u>

5. FUNDRAISING AND PUBLICITY

	Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
	£	£	£	£
Marketing	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,310</u>

6. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
	£	£	£	£
Provision of charitable services:				
Costs of services provided	<u>90,524</u>	<u>-</u>	<u>90,524</u>	<u>101,727</u>

Analysis of provision of charitable services:

	Staff costs	Depreciation	Other costs	Total 2004	Total 2003
	£	£	£	£	£
Costs of services provided	<u>36,180</u>	<u>1,457</u>	<u>52,887</u>	<u>90,524</u>	<u>101,727</u>

7. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
	£	£	£	£
Salaries	3,779	-	3,779	7,317
Office costs	8,183	-	8,183	5,453
Accountancy fees	3,386	-	3,386	1,000
Audit fees	2,000	-	2,000	1,600
Legal and professional	6,146	-	6,146	311
Other	152	-	152	-
	<u>23,646</u>	<u>-</u>	<u>23,646</u>	<u>15,681</u>

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC **COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

8. TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	Total Funds 2004 £	Total Funds 2003 £
Direct charitable expenditure	36,180	1,457	52,887	90,524	101,727
Fundraising and publicity	—	—	—	—	6,310
Management and administration	3,779	185	19,682	23,646	15,681
	<u>39,959</u>	<u>1,642</u>	<u>72,569</u>	<u>114,170</u>	<u>123,718</u>

The aggregate payroll costs were:

	2004 £	2003 £
Wages and salaries	37,752	43,647
Social security costs	1,950	2,582
Other pension costs	257	804
	<u>39,959</u>	<u>47,033</u>

Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

	2004 No	2003 No
Number of administrative staff	<u>2</u>	<u>2</u>

	2004 £	2003 £
Other costs:		
Premises	29,116	27,356
Legal and professional	11,532	2,911
Other	31,921	43,950
	<u>72,569</u>	<u>74,217</u>

9. TRUSTEES' EMOLUMENTS

The trustees' emoluments were:

	2004 £	2003 £
Remuneration as trustees	<u>—</u>	<u>—</u>

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC **COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

10. OPERATING PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Staff pension contributions	257	804
Depreciation	1,642	2,468
Auditors' remuneration		
- as auditors	2,000	1,600
- as accountants	2,420	1,000
	<u>2,420</u>	<u>1,000</u>

11. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 September 2003	12,960
Additions	565
At 31 August 2004	<u>13,525</u>
DEPRECIATION	
At 1 September 2003	9,905
Charge for the year	1,642
At 31 August 2004	<u>11,547</u>
NET BOOK VALUE	
At 31 August 2004	<u>1,978</u>
At 31 August 2003	<u>3,055</u>

12. STOCKS

	2004	2003
	£	£
Stock	<u>48,778</u>	<u>44,212</u>

13. DEBTORS

	2004	2003
	£	£
Trade debtors	3,193	11,042
Other debtors	2,765	1,234
Prepayments	1,197	-
	<u>7,155</u>	<u>12,276</u>

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC **COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

14. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Trade creditors	–	710
Taxation and social security	933	906
Royalties & commission payable	431	9,519
Accruals	10,302	14,851
	<u>11,666</u>	<u>25,986</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2004 the charity had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings 2004 £	2003 £
Operating leases which expire:		
Within 2 to 5 years	<u>11,060</u>	<u>–</u>

16. DESIGNATED FUNDS

	New designations £	Total Funds 2004 £
Anglo Irish Secular	<u>11,356</u>	<u>11,356</u>

17. RESTRICTED FUNDS

	1 Sept 2003 £	Movement £	31 Aug 2004 £
Rainbows Training Fund	1,182	–	1,182
Work in Southwark Diocese	420	–	420
	<u>1,602</u>	<u>–</u>	<u>1,602</u>

18. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)

	Fixed assets	Other net assets £	Total £
Restricted funds	–	1,602	1,602
Unrestricted funds	1,978	123,187	125,165
	<u>1,978</u>	<u>124,789</u>	<u>126,767</u>

RAINBOWS FOR ALL GOD'S CHILDREN OF GREAT BRITAIN INC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

19. RELATED PARTY TRANSACTIONS

The Company is a related party of Rainbows for All God's Children Inc. Rainbows for All God's Children Inc is the Company's sole full member. Rainbows for All God's Children Inc supplied the Company with goods during the year of £6,540. (2003 - £32,367).

The amount owed by the Company to Rainbows for All God's Children Inc at the year end was £Nil. (2003 - £446)

The Company paid royalties of £910 to Rainbows for All God's Children Inc in the year. The amount owed by the Company for royalties at the end of the year was £431.

The Company is a related party of Rainbows Ireland, a Company and Charity registered in Eire, of whom S Y Marta is President-Executive Director. The Company supplied Rainbows Ireland with goods during the year totalling £42,944. The amount owed by Rainbows Ireland at the year end was £137.

20. COMPANY LIMITED BY GUARANTEE

The company does not have a share capital being a company limited by guarantee. Individual trustee's liability is limited to a maximum of £1



Spenser, Wilson & Co.

(incorporating Baker, Grosland & Helliwell)

Chartered Accountants