

Company registration number: 04318070

Charity registration number: 1096570

# Folkestone Rainbow Centre

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2019

Beresfords  
Chartered Certified Accountants  
Castle House  
Castle Hill Avenue  
Folkestone  
Kent  
CT20 2TQ

# **Folkestone Rainbow Centre**

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## **Folkestone Rainbow Centre**

### **Reference and Administrative Details**

**Trustees**

Miss D Douse  
Dr T J Cooke-Davies  
Dr P Le Feuvre  
Dr J Russell  
Reverend S Webber (Resigned 31 March 2020)  
Sir W R Fittall  
Mr N J Buckley  
Mr P C Edwards  
Mrs E J Pettersen  
Mr P J Haines (appointed 1 April 2020)

**Secretary**

Mr S C Corner

**Principal Office**

Cornerstone  
69 Sandgate Road  
Folkestone  
Kent  
CT20 2AF

**Company Registration Number**

04318070

**Charity Registration Number**

1096570

**Independent Examiner**

Beresfords  
Chartered Certified Accountants  
Castle House  
Castle Hill Avenue  
Folkestone  
Kent  
CT20 2TQ

# **Folkestone Rainbow Centre**

## **Trustees' Report**

### **Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

### **STRUCTURE, GOVERNMENT AND MANAGEMENT**

The trustees, who are directors for the purposes of company law, present the annual strategic report together with the financial statements of the charitable company for the year ended 31 December 2019.

The Folkestone Rainbow Centre is a company limited by guarantee governed by its Memorandum and Articles of Association dated 6 November 2001. This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The Centre is also registered as a charity with the Charity Commission. The trustees have prepared the annual report and financial statements in accordance with the charity's governing document, the requirements of charity law, in particular the Commission's Statement of Recommended Practice. The trustees confirm that they have had regard to the commission's guidance on public benefit when exercising their powers and duties to which the guidance is relevant. The ways in which the charity has contributed to public benefit are set out in the statement of activities.

### **Risk Management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

### **OBJECTIVES AND ACTIVITIES**

#### **Aims and Objectives**

The Rainbow Centre is a Christian charity that delivers services in Folkestone and Hythe to provide support and hope to individuals and families experiencing deprivation or hardship.

The objective of the Rainbow Centre is to operate without distinction of sex or age, or of political, religious or other opinions and to promote the welfare of disadvantaged individuals and families living in the Folkestone and Hythe community, in any manner which now is, or hereafter may be demised by law to be charitable.

Underpinning the objective are five values which provide a quality framework for all work which is undertaken in the name of the Rainbow Centre.

- Respect
- Compassion
- Excellence
- Collaboration
- Commitment

# Folkestone Rainbow Centre

## Trustees' Report

### ACHIEVEMENT AND PERFORMANCE

#### Overview

For the second time in two years we learned, towards the end of 2019, that we were to experience a change of chief executive. This came as a surprise and, frankly, a disappointment because, being a small organisation, we need a degree of stability and continuity in order to thrive. But Ali Chambers had already served us in other roles for eighteen months before becoming chief executive in April 2018 and we were well aware, given her many qualities and age, that we would not be able to keep her indefinitely.

She was due to leave in April 2020 for a bigger job with the Mission Aviation Fellowship, a large, national Christian charity based in East Kent but with a reach around the world. We rejoiced with her at this excellent opportunity for further Christian service and expressed our considerable gratitude to her for all that she contributed to the wellbeing and effectiveness of the Rainbow Centre. Her background in fundraising enabled her to do wonders in strengthening our finances in her time as chief executive, increasing income from donations, fundraising events and particularly from grant making trusts. She was also a splendid ambassador for the charity in the local area.

Just before the end of 2019 we advertised for a new chief executive and were delighted to receive 29 applications, many of which merited serious consideration. The selection process concluded successfully early in 2020, giving us the prospect of securing a seamless transition in April.

We were fortunate to have stability on the trustee body in 2019, though we have been pleased to welcome Stephen Corner as the new Secretary to the Board. Towards the end of the year Sarah Webber, co-pastor of the Harbour Church, stood down as Chair of Churches Together in Folkestone and signalled her intention to resign as a trustee early in 2020. The Rainbow Centre was started as an ecumenical initiative of the Folkestone churches in 1985 and it has been our custom to have the Chair of Churches Together in Folkestone as one of our trustees. Sarah has contributed much shrewdness to our discussions and helped us stay connected to church leaders in the town.

The work of the charity extends beyond the town to the whole of the Folkestone and Hythe District. In particular, we have foodbank distribution points in Lydd and New Romney as well as Folkestone. The pressure on our food services has continued to grow during 2019, vindicating the decision that the trustees took in late 2018 to introduce some staffing provision into what had previously been an entirely volunteer led service. The extra resource has enabled us to increase distribution significantly.

The winter shelter run from December 2018 to the end of February 2019 was the tenth to have run in Folkestone and proved to be one of the most challenging as a result of the multiple and complex needs of many of the guests. It was a tribute to the skill and resilience of staff and volunteers that the programme was managed without major mishap. The trustees agreed some changes to the staffing arrangements for 2019-20 in the light of the lessons learned and also authorised an increase from twelve to thirteen weeks for the shelter.

Discussions in the second half of the year led to agreement on the hosting of a new venture at the Rainbow Centre premises called the 'Safe Haven Project'. This initiative, taken by the Health Service, social services and the police in partnership with the Roger de Hann Foundation, is designed to provide a safe location in the evenings where those experiencing a mental health crisis can be taken. The Rainbow Centre is not a partner in delivering the service but is delighted to be able to host on its premises a service which is much needed in the area and is entirely congruent with our aims and objectives. It is due to start in 2020.

## **Folkestone Rainbow Centre**

### **Trustees' Report**

#### **Homeless Support Service and Rainbow Club**

Our Homeless Support Service (HSS) continued to provide advisory and advocacy support for some of the neediest in our local area, as well as offering practical guidance to a wide range of people who were at risk of finding themselves without accommodation. Inevitably, more clients are presenting with multiple complex needs often involving severe mental and physical health issues.

The Homeless Support Service (HSS) supported 301 clients in 2019; of these 75% were male and 25% were female. Of this total, 194 (64%) were homeless, and 107 (36%) vulnerably housed or at risk of eviction. The number of clients housed (51) is very similar to 2018 figures; finding affordable housing continues to be difficult.

Alongside directly housing focused work, the Homeless Support Service carried out a wide range of support activities, including registering clients with GPs, advocacy with the Community Mental Health Team, Probation, Forward (Drug and Alcohol) and referrals to debt agencies. In the last couple of years, we have seen rough sleeping clients with significant care needs fending for themselves on the streets. Hence, the Homeless Support Service worked closely with statutory and non-statutory services to drive solutions for these clients unable to advocate for themselves. The HSS continued to advocate for multi-agency working as it sees this as a viable way of meeting housing and other client needs; the service continued to maintain the professional regard in which it is held.

#### **Shepway Food Bank**

2019 was characterised by significant growth in demand for the Foodbank, echoing a national trend in increased usage. In 2019, 3462 vouchers were redeemed- a 50% rise on the previous year. The reasons for this increase were varied but changes in the benefits system and the introduction of Universal Credit had an impact on those individuals on a relatively small income, and this put them at more risk of food poverty. In response to the increase, we opened a third Foodbank in Lydd in February in addition to the centres at Folkestone Methodist Church and Romney Marsh Community Centre.

The majority of clients who used our service came from the areas of higher social deprivation such as Folkestone Harbour Ward, Folkestone Harvey Central Ward and Lydd, and to a lesser extent Hythe Central ward. Building on the work, which was started in 2018, the number of organisations issuing vouchers increased which means that the service is now reaching more people in need. We are grateful for the support of these organisations including School Family Liaison Officers for offering more outlets for potential clients to access much-needed vouchers.

Most of the Foodbank stock (36 tonnes in 2019) was donated by members of the public and local businesses and supermarkets; our wonderful volunteers ensured smooth operations from our food warehouse to the Foodbanks all year round.

#### **FoodStop**

FoodStop continued as a volunteer-led mobile soup kitchen service, operating on three evenings during the week throughout the year in two street locations. A dedicated team of 35 volunteers and 7 team leaders delivered 3545 soup, hot drinks, sandwiches to the homeless and those in need. Many of those individuals using FoodStop find engagement with support agencies challenging, so the FoodStop volunteers are often the first point of contact for these "hard to reach" group. Thus, FoodStop operates as an outreach element of the Homeless Support Service providing regular updates for the HSS project workers, who can monitor the welfare of the clients even if they do not regularly engage with the Centre itself. The service also provided much-needed essentials including toiletries, sleeping bags and various items of clothing.

## **Folkestone Rainbow Centre**

### **Trustees' Report**

Our food warehouse provides much of the food for the service, with food storage at the Harbour church and preparation taking place at the Salvation Army kitchen. Some regular individual standing orders and one-off gifts from churches support the service while some 1600 hours were donated by the volunteers. Other organisations which supported the service were notably the Grind and Bake for donating pies and pastries; Folkestone Rotary Club; Inner Wheel and Folkestone Churches.

We were delighted when Debbie Fletcher, leader of the FoodStop service for twenty years before moving away from the area with her family, was awarded a British Empire Medal in the Birthday Honours' List for her outstanding community service over such a sustained period.

#### **Folkestone Churches Winter Shelter (FCWS)**

The Folkestone Churches' Winter Shelter, one of the Rainbow Centre's largest projects was in its 10th year of providing emergency night provision to adult vulnerable rough sleepers. It ran from December 2018 through to March 2019. Over the 3 months of the Shelter, 7 churches in Folkestone hosted for one evening a week, assisted by over 164 volunteers (40 new), 6 paid part-time staff who gave 6,500 hours to providing a bed and meal for the 38 guests (23% female) who stayed during the project. 77% of the 13-bed spaces available each night were utilised.

A Tenancy Sustainment Worker helped clients find and settle in their new accommodation; of the 38 guests, only 5 had no other issue except homelessness and 24 got housed. We once again partnered with other agencies such as Porchlight, Forward Trust's Drug and Alcohol service, Sanctuary and Folkestone and Hythe District Council to provide additional support to clients. The use of the Day Centre increased contact and retention of clients within the project.

As in previous years, strict behaviour rules applied. As noted above, the 2018/19 shelter was particularly challenging in this respect. Although the service seeks to be as client-focused as possible, it, unfortunately, has to refuse the service to guests who fail to comply with the set timetable and code of conduct which is necessary to ensure the safety of guests, staff and volunteers alike.

Lastly, the service's quality provision was judged an 'excellent shelter' and was re-accredited with the Housing Justice Quality Mark.

#### **Family Contact**

The volunteer-run Contact Service completed another successful year in 2019 providing a safe, friendly and neutral place for children of separated families to spend time with one or both parents, or other family members. 2019 was a busy year with 17 children on the books and another 6 on the waiting list. Special thanks go to the dedicated team of five volunteers who work alternative Saturdays in the Rainbow Centre, giving their time to ensure that parents and close relatives can spend time together in a positive environment. Contact remains a vital service for those families who are separated and the feedback which is received is consistently good.

### **FINANCIAL REVIEW**

#### **Reserves Policy**

It has been the policy of the charity to keep an unrestricted reserve equivalent to at least three months running costs and to aim for six months.

As at 31 December 2019 cash at bank and in hand was £290,267, of which £99,063 related to restricted funds. This represents a rise in cash from 2018 of nearly 50%. After allowing for liabilities of £22,467 the remaining balance stands at £168,737 which represents about nine months of total monthly expenditure and around twelve and a half months expenditure from unrestricted funds. The trustees have drawn up plans for reducing the level of reserves in 2020. These include necessary expenditure to upgrade some of the facilities at Cornerstone.

## Folkestone Rainbow Centre

### Trustees' Report

A mortgage exists for the purchase of Cornerstone (formerly Barton House) and the outstanding balance is £70,876 (2018 - £82,466). The mortgage is a repayment loan and interest is charged at 2% above Lloyds Bank's base rate.

#### TRUSTEE APPOINTMENTS

As noted above, there were no changes on the trustee body in 2019, though we welcomed Stephen Corner as secretary to the trustees.

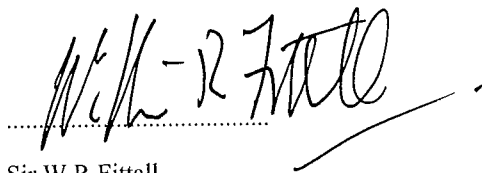
#### FUTURE DEVELOPMENTS

The range of services, that is the Family Contact Centre, FoodStop, the Homeless Support Service and Rainbow Club, the Winter Shelter, Foodbank and the Food Warehouse continue to exist because the need for them is still there. The trustees periodically scan the horizon to see whether there are new gaps that we ought to be addressing and to ensure that the services that we are providing go on making a real difference.

As a small, local charity we are acutely aware of the limits to what we can achieve in helping to tackle the deep-seated problems of homelessness, food poverty and the consequences of family breakdown. While seeking to increase our funding and its resilience so that we can meet a wider range of needs we shall continue to be looking to work in partnership with other statutory and voluntary sector agencies to achieve maximum impact. .

Whatever changes there may be in the local pattern of statutory and voluntary sector service provision, there will continue to be a distinctive place for a Christian charity that seeks to show the love of Christ by meeting those in our community who are in the greatest need.

Approved by the Board and signed on its behalf by:



Sir W R Fittall

Chair of Trustees

Date.....22/7/2020



## Folkestone Rainbow Centre

### Statement of Trustees' Responsibilities

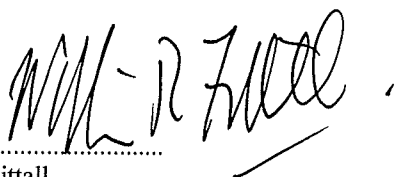
The trustees (who are also the directors of Folkestone Rainbow Centre for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 21 July and signed on its behalf by:



.....  
Sir W R Fittall  
Trustee

## **Folkestone Rainbow Centre**

### **Independent Examiner's Report to the trustees of Folkestone Rainbow Centre**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2019 which are set out on pages 9 to 27.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of Folkestone Rainbow Centre (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Folkestone Rainbow Centre are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

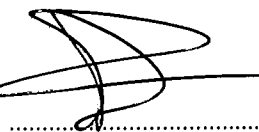
#### **Independent examiner's statement**

Since Folkestone Rainbow Centre's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Association of Chartered Certified Accountants, which is one of the listed bodies.

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

1. accounting records were not kept in respect of Folkestone Rainbow Centre as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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.



.....  
Mr Dan Payne FCCA  
Beresfords  
Chartered Certified Accountants  
Castle House  
Castle Hill Avenue  
Folkestone  
Kent  
CT20 2TQ

Date: 22/07/2020

## Folkestone Rainbow Centre

### Statement of Financial Activities for the Year Ended 31 December 2019 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	166,605	21,488	188,093
Charitable activities	4	-	54,845	54,845
Other trading activities	5	25,534	5,881	31,415
Investment income	6	24,653	-	24,653
Other income	7	19,000	1	19,001
Total Income		<u>235,792</u>	<u>82,215</u>	<u>318,007</u>
<b>Expenditure on:</b>				
Charitable activities	8	<u>(169,364)</u>	<u>(66,256)</u>	<u>(235,620)</u>
Total Expenditure		<u>(169,364)</u>	<u>(66,256)</u>	<u>(235,620)</u>
Net income		<u>66,428</u>	<u>15,959</u>	<u>82,387</u>
Net movement in funds		66,428	15,959	82,387
Total funds brought forward		<u>399,433</u>	<u>87,067</u>	<u>486,500</u>
Total funds carried forward	21	<u><u>465,861</u></u>	<u><u>103,026</u></u>	<u><u>568,887</u></u>

#### 2018 Accounts

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	147,003	17,512	164,515
Charitable activities	4	-	117,156	117,156
Other trading activities	5	25,099	2,715	27,814
Investment income	6	21,482	5	21,487
Other income	7	27,000	-	27,000
Total Income		<u>220,584</u>	<u>137,388</u>	<u>357,972</u>
<b>Expenditure on:</b>				
Charitable activities	8	<u>(182,744)</u>	<u>(159,644)</u>	<u>(342,388)</u>
Total Expenditure		<u>(182,744)</u>	<u>(159,644)</u>	<u>(342,388)</u>
Net income/(expenditure)		37,840	(22,256)	15,584
Transfers between funds		<u>(19,938)</u>	<u>19,938</u>	-
Net movement in funds		17,902	(2,318)	15,584
Total funds brought forward		<u>381,531</u>	<u>89,385</u>	<u>470,916</u>
Total funds carried forward	21	<u><u>399,433</u></u>	<u><u>87,067</u></u>	<u><u>486,500</u></u>

**Folkestone Rainbow Centre**  
**(Registration number: 04318070)**  
**Balance Sheet as at 31 December 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	15	351,373	360,722
Investments	16	<u>1</u>	<u>1</u>
		<u>351,374</u>	<u>360,723</u>
<b>Current assets</b>			
Debtors	17	10,971	22,731
Cash at bank and in hand	18	<u>290,267</u>	<u>199,711</u>
		301,238	222,442
<b>Creditors: Amounts falling due within one year</b>	19	<u>(24,689)</u>	<u>(25,786)</u>
<b>Net current assets</b>		<u>276,549</u>	<u>196,656</u>
<b>Total assets less current liabilities</b>		627,923	557,379
<b>Creditors: Amounts falling due after more than one year</b>	20	<u>(59,036)</u>	<u>(70,879)</u>
<b>Net assets</b>		<u><u>568,887</u></u>	<u><u>486,500</u></u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		103,026	87,067
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>465,861</u>	<u>399,433</u>
<b>Total funds</b>	21	<u><u>568,887</u></u>	<u><u>486,500</u></u>

**Folkestone Rainbow Centre**  
**(Registration number: 04318070)**  
**Balance Sheet as at 31 December 2019**

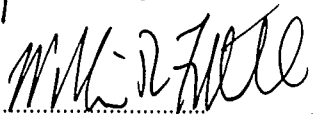
For the financial year ending 31 December 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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

The financial statements on pages 9 to 27 were approved by the trustees, and authorised for issue on 21 July..... and signed on their behalf by:

  
.....  
Sir W R Fittall  
Trustee

## **Folkestone Rainbow Centre**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 Charity status**

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Cornerstone  
69 Sandgate Road  
Folkestone  
Kent  
CT20 2AF

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

Folkestone Rainbow Centre meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

## **Folkestone Rainbow Centre**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Gift aid***

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

#### ***Investment income***

Investment income is recognised on a receivable basis.

#### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Support costs***

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

#### ***Taxation***

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## **Folkestone Rainbow Centre**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Tangible fixed assets**

Individual fixed assets costing £50.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	Straight line over the period of the lease.
Furniture and equipment	25% on reducing balance.
Motor vehicles	25% on reducing balance.

#### **Business combinations**

The company and its subsidiary are a small group and as a result do not have to prepare consolidated accounts.

#### **Fixed asset investments**

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

#### **Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



## **Folkestone Rainbow Centre**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Financial instruments**

##### ***Recognition and measurement***

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

##### ***Investments***

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donations and legacies;				
Appeals and donations	74,223	6,487	80,710	67,061
Gift aid tax reclaimed	6,949	1,716	8,665	6,056
The Op Shop Limited donations	-	-	-	10,923
Winter Shelter donations	-	13,285	13,285	11,939
Grants, including capital grants;				
Grants receivable	84,830	-	84,830	68,480
Other income	603	-	603	56
	<u>166,605</u>	<u>21,488</u>	<u>188,093</u>	<u>164,515</u>

#### 4 Income from charitable activities

	Restricted funds £	Total 2019 £	Total 2018 £
FoodStop	4,675	4,675	4,962
Pre-School Canterbury Road	-	-	62,119
Folkestone Churches Winter Shelter	30,690	30,690	38,075
Food Bank	19,480	19,480	12,000
	<u>54,845</u>	<u>54,845</u>	<u>117,156</u>

#### 5 Income from other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Events income;				
Fundraising events	25,534	5,881	31,415	27,814
	<u>25,534</u>	<u>5,881</u>	<u>31,415</u>	<u>27,814</u>

#### 6 Investment income

	Unrestricted funds £	Total 2019 £	Total 2018 £
Interest receivable and similar income;			
Interest receivable on bank deposits	23	23	28
Income from rents	24,630	24,630	21,459
	<u>24,653</u>	<u>24,653</u>	<u>21,487</u>

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 7 Other income

	Unrestricted funds £	Total 2019 £	Total 2018 £
Income from trading subsidiary	<u>19,000</u>	<u>19,000</u>	<u>27,000</u>

#### 8 Expenditure on charitable activities

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
General		3,399	-	3,399	4,696
FoodStop		-	4,523	4,523	4,669
Pre-School Canterbury Road		-	-	-	78,978
Folkestone Churches Winter Shelter		-	42,044	42,044	40,681
Contact		3,651	-	3,651	3,494
Food Bank		-	18,573	18,573	6,034
Migrant Crisis Support		-	-	-	3,117
Awards for All - Volunteer Funding		-	-	-	5,762
Allocated support costs	9	152,554	1,116	153,670	184,552
Governance costs	9	<u>9,760</u>	<u>-</u>	<u>9,760</u>	<u>10,405</u>
		<u>169,364</u>	<u>66,256</u>	<u>235,620</u>	<u>342,388</u>

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 9 Analysis of governance and support costs

##### Support costs allocated to charitable activities

	Other support costs £	Total 2019 £	Total 2018 £
General	78,132	78,132	70,346
FoodStop	492	492	656
Pre-School Canterbury Road	-	-	7,207
Folkestone Churches Winter Shelter	8	8	8,360
Homeless Support Service	73,174	73,174	94,551
Contact	1,248	1,248	1,250
Food Bank	616	616	1,821
LSF Project	-	-	359
	<u>153,670</u>	<u>153,670</u>	<u>184,550</u>

##### Governance costs

	Unrestricted funds £	Total 2019 £	Total 2018 £
Independent examiner fees			
Examination of the financial statements	2,220	2,220	2,220
Other governance costs	<u>7,540</u>	<u>7,540</u>	<u>8,185</u>
	<u>9,760</u>	<u>9,760</u>	<u>10,405</u>

#### 10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2019 £	2018 £
Loss on disposal of tangible fixed assets	-	1,066
Depreciation of fixed assets	<u>9,710</u>	<u>11,485</u>

#### 11 Trustees remuneration and expenses

No trustees have received any remuneration from the charity during the year.

Mrs Bertie Edwards, the wife of one of the trustees, was employed part time on a fixed term contract as a project worker for the winter shelter. She received £1,931.70 in pay and the charity also paid employer's national insurance contributions of £36.09.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 12 Staff costs

The aggregate payroll costs were as follows:

	2019 £	2018 £
<b>Staff costs during the year were:</b>		
Wages and salaries	142,603	211,465
Social security costs	7,727	11,009
Pension costs	3,462	2,950
	<u>153,792</u>	<u>225,424</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2019 No	2018 No
Pre-School Canterbury Road	-	5
Administrative	7	7
Winter Shelter	2	2
Food Bank	1	-
	<u>10</u>	<u>14</u>

The average number of employees during 2019 includes 4 full time staff, and two full time employees on a fixed term contract for part of the year. The remainder is made up of part time staff.

During the year, the charity made redundancy and/or termination payments which totalled £Nil (2018 - £10,761).

No employee received emoluments of more than £60,000 during the year.

#### 13 Independent examiner's remuneration

	2019 £	2018 £
Examination of the financial statements	<u>2,220</u>	<u>2,220</u>

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 14 Taxation

The company is a registered charity and is exempt from corporation tax on its charitable activities.

#### 15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2019	374,604	56,922	27,461	458,987
Additions	-	360	-	360
At 31 December 2019	<u>374,604</u>	<u>57,282</u>	<u>27,461</u>	<u>459,347</u>
<b>Depreciation</b>				
At 1 January 2019	36,252	46,628	15,384	98,264
Charge for the year	4,028	2,663	3,019	9,710
At 31 December 2019	<u>40,280</u>	<u>49,291</u>	<u>18,403</u>	<u>107,974</u>
<b>Net book value</b>				
At 31 December 2019	<u>334,324</u>	<u>7,991</u>	<u>9,058</u>	<u>351,373</u>
At 31 December 2018	<u>338,352</u>	<u>10,294</u>	<u>12,077</u>	<u>360,723</u>

Included within the net book value of land and buildings above is £Nil (2018 - £Nil) in respect of freehold land and buildings and £334,324 (2018 - £338,352) in respect of leaseholds.

#### 16 Fixed asset investments

	2019 £	2018 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

# Folkestone Rainbow Centre

## Notes to the Financial Statements for the Year Ended 31 December 2019

### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 January 2019	<u>1</u>	<u>1</u>
At 31 December 2019	<u>1</u>	<u>1</u>
<b>Net book value</b>		
At 31 December 2019	<u>1</u>	<u>1</u>
At 31 December 2018	<u>1</u>	<u>1</u>

### Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2019	2018	
Subsidiary undertakings					
FRC Commercial Enterprises Ltd	England and Wales	Ordinary	100%	100%	Charity shop

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### Subsidiaries

The profit for the financial period of FRC Commercial Enterprises Ltd was £7,665 (2018 - £(570)) and the aggregate amount of capital and reserves at the end of the period was £7,096 (2018 - £(569)).

#### 17 Debtors

	2019 £	2018 £
Trade debtors	3,268	6,308
Prepayments	3,990	4,103
Other debtors	3,713	12,320
	<u>10,971</u>	<u>22,731</u>

#### 18 Cash and cash equivalents

	2019 £	2018 £
Cash on hand	633	365
Cash at bank	289,634	199,346
	<u>290,267</u>	<u>199,711</u>



## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 19 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans	11,840	11,587
Trade creditors	2,442	1,555
Other taxation and social security	3,397	4,742
Other creditors	3,001	3,566
Accruals	4,009	4,336
	<u>24,689</u>	<u>25,786</u>

Creditors due within one year includes the following liabilities, on which security has been given by the charity:

	2019 £	2018 £
Bank loans	<u>11,840</u>	<u>11,587</u>

The bank loan is secured on the leasehold property Cornerstone, 69 Sandgate Road, Folkestone, Kent.

#### 20 Creditors: amounts falling due after one year

	2019 £	2018 £
Bank loans	<u>59,036</u>	<u>70,879</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2019 £	2018 £
Bank loans	<u>59,036</u>	<u>70,879</u>

The bank loan is secured on the leasehold property Cornerstone, 69 Sandgate Road, Folkestone, Kent.

Included in the creditors are the following amounts due after more than five years:

	2019 £	2018 £
After more than five years by instalments	<u>9,176</u>	<u>22,031</u>

# Folkestone Rainbow Centre

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 21 Funds

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>				
General	399,433	235,792	(169,364)	465,861
<b>Restricted Funds</b>				
FoodStop	12,760	5,202	(5,015)	12,947
Folkestone Churches Winter Shelter	58,025	50,476	(42,052)	66,449
Food Bank	16,282	26,537	(19,189)	23,630
<b>Restricted funds</b>	87,067	82,215	(66,256)	103,026
<b>Total funds</b>	486,500	318,007	(235,620)	568,887

# Folkestone Rainbow Centre

## Notes to the Financial Statements for the Year Ended 31 December 2019

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2018 £
<b>2018 Accounts</b>						
<b>Unrestricted funds</b>						
General	381,531	220,584	(182,744)	(19,938)	-	399,433
<b>Restricted Funds</b>						
FoodStop	12,576	5,508	(5,325)	-	-	12,759
Pre-School Canterbury Road	2,370	62,304	(86,978)	23,011	(707)	-
Folkestone Churches Winter Shelter	54,712	52,855	(49,541)	-	-	58,026
Refurbishment of the Homeless Support Service Centre	1,365	-	-	(1,365)	-	-
Food Bank	7,416	16,721	(7,855)	-	-	16,282
Migrant Crisis Support	3,117	-	(3,117)	-	-	-
Refurbishment of the Contact Centre	1,993	-	-	(1,993)	-	-
LSF Project	74	-	-	285	(359)	-
Awards for All - Volunteer Funding	5,762	-	(5,762)	-	-	-
<b>Restricted funds</b>	89,385	137,388	(158,578)	19,938	(1,066)	87,067
<b>Total funds</b>	470,916	357,972	(341,322)	-	(1,066)	486,500

## **Folkestone Rainbow Centre**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

The specific purposes for which the funds are to be applied are as follows:

The General fund is used for providing the Homeless Support Service and Contact as well as the administration of the charity, FoodStop, Folkestone Churches Winter Shelter and Food Bank.

The FoodStop fund is used to deliver fresh sandwiches and soup to the homeless and hungry. Income is derived from donations and grants.

The Folkestone Churches Winter Shelter fund is used to support the homeless during the months of December to February. Income is derived from donations and grants.

The Food Bank fund is used for the provision of a food bank in the district. Income is derived from donations and grants.

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 22 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	348,027	3,346	351,373
Fixed asset investments	1	-	1
Current assets	199,335	101,903	301,238
Current liabilities	(22,466)	(2,223)	(24,689)
Creditors over 1 year	(59,036)	-	(59,036)
Total net assets	465,861	103,026	568,887

#### 2018 Accounts

	Unrestricted funds	Restricted funds	Total funds at 31 December 2018
	£	£	£
Tangible fixed assets	356,261	4,461	360,722
Fixed asset investments	1	-	1
Current assets	137,169	85,273	222,442
Current liabilities	(23,119)	(2,667)	(25,786)
Creditors over 1 year	(70,879)	-	(70,879)
Total net assets	399,433	87,067	486,500

#### 23 Related party transactions

During the year the charity made the following related party transactions:

##### **The Op Shop Limited**

The Op Shop Limited is a company limited by guarantee which operated a second hand store with profits being donated to the Folkestone Rainbow Centre. The company ceased trading on 31 December 2017, it had some directors who were also on the board of the charity. In the charity board's opinion they had influence over The Op Shop Limited and as such it has been identified as a related party.

During the financial year under review the charity received £Nil (2017 - £10,923) of donations from The Op Shop Limited. At the balance sheet date the amount due to/from from The Op Shop Limited was £Nil (2018 - £10,923).

##### **FRC Commercial Enterprises Ltd**

FRC Commercial Enterprises Ltd operates a second hand store with profits being donated to the Folkestone Rainbow Centre. It has some directors who are also on the board of the charity. The charity owns 100% of the share capital of FRC Commercial Enterprises Ltd and as such it has been identified as a related party.

During the financial year under review the charity received £19,000 (2018 - £27,000) of donations from FRC Commercial Enterprises Ltd.. At the balance sheet date the amount due to FRC Commercial Enterprises Ltd was £1 (2018 - £1).

