

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 2020

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Beresfords  
Chartered Certified Accountants  
1-2 Rhodium Point  
Spindle Close  
Hawkinge  
Folkestone  
Kent  
CT18 7TQ

# Folkestone Rainbow Centre

## Contents

Reference and Administrative Details	1
Trustees' Report	2 to 7
Statement of Trustees' Responsibilities	8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11 to 12
Notes to the Financial Statements	13 to 28

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## Folkestone Rainbow Centre

### Reference and Administrative Details

<b>Trustees</b>	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)
<b>Secretary</b>	Mr S C Corner
<b>Principal Office</b>	Cornerstone 69 Sandgate Road Folkestone Kent CT20 2AF
<b>Company Registration Number</b>	04318070
<b>Charity Registration Number</b>	1096570
<b>Independent Examiner</b>	Beresfords Chartered Certified Accountants 1-2 Rhodium Point Spindle Close Hawkinge Folkestone Kent CT18 7TQ

# 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 2020.

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

2020 was like no other year since the charity was founded. If there was any consolation at a time of such turbulence and uncertainty it was knowing that the extraordinary challenges that we faced as a result of the Coronavirus pandemic were not of our making and were shared-in many cases far more acutely- by so many other organisations across the whole of society.

When the Prime Minister announced a national lockdown on 23 March we immediately faced a dilemma. It was clearly imperative that we saw the safety of our volunteers and staff as paramount. Equally, the charity exists to meet people at times of personal need and we knew that the lockdown was going to be a time of increased need for very many people. So, on 24 March we resolved to continue to deliver those services that we could, within the constraints imposed by Government imposed restrictions.

This was no mean challenge, partly because our chief executive was about to leave us barely a fortnight later and partly because about a third of our volunteers are over 70 and were therefore subject to Government advice to avoid being out more than was strictly necessary. Nevertheless, we succeeded in keeping our food service going throughout and the Homeless Support Service managed to continue to provide advocacy and practical help for those at risk of homelessness without being able to meet clients face to face. Courtesy of increased public funding we also managed to run a winter shelter, albeit on different lines from the traditional model. A more detailed account is set out in the succeeding paragraphs.

Before the pandemic struck the trustees had resolved to use some of our excessively high reserves to catch up with certain infrastructure work, in particular to completely refurbish our ageing loos at Cornerstone House and to upgrade our IT server which was nearing the end of its useful life. Despite the financial uncertainties brought by lockdown we concluded that we should see these plans through.

In the event, an increase in donations and grants received more than offset the loss suffered through the inability to organise the usual fundraising events. As a result, despite the significant outlay on infrastructure projects we ended the year with a further excess of income over expenditure. With this outstanding result in prospect the trustees decided at the beginning of December that it would be right to repay the mortgage on Cornerstone House, thereby saving future interest payments.

It is because of this decision to end our borrowing that, though we made an operating surplus in the year, our net current assets ended up nearly 10% down on the previous year. At just over a quarter of a million pounds they, nevertheless, remain at a higher level than our target, even allowing for the wisdom of maintaining some additional resilience in these uncertain times. The strong state of the finances helped the trustees agree to take on responsibility for a debt advisory service-Money Matters- at the end of 2020 and to launch a new three year strategy 'walking the extra mile'.

We said farewell at Easter 2020 to one of our trustees, the Revd Sarah Webber, co-pastor of the Harbour Church and the outgoing chair of Churches Together in Folkestone. Sarah had done much to nurture our relations with the Folkestone churches as well as contribute shrewdly and prayerfully to our deliberations.

We also bade 'God speed' to our Ali Chambers who left us to take up a leading fundraising role for the Mission Aviation Fellowship, a national charity with its headquarters in East Kent. The lockdown restrictions prevented us from sending Ali off in the manner we would have wished. Her service to us had been outstanding.

Our new chief executive, Mary Stredwick, could not have arrived at a more turbulent moment. But her resilience and long experience of a wide range of organisations in the UK and overseas have stood her in very good stead. We owe her a lot for the way she has held things together despite all the uncertainties and helped us develop a new strategic and business planning framework.

## Folkestone Rainbow Centre

### Trustees' Report

#### Homeless Support Service and Rainbow Club

As a service, we welcomed the central government's "Everyone In" strategy, and worked collaboratively with the local Council and Porchlight, Serveco, and others, to ensure those rough-sleeping locally were placed into emergency accommodation and supported.

During the Covid-19 pandemic, the Homeless Support Service continued to maintain many of the interventions it carries out for clients working with other agencies to ensure that as much support as possible remained available. We however suspended shower facilities until restrictions eased and had put in place safe systems but maintained laundry and the postal service for clients.

Staff adapted so quickly to the challenge of working and advocating as best they could for their clients, conducting some 150 welfare checks. These checks ensured clients knew where they could get food, how to work with restrictions in place, and that they had access to health and dental care and prescriptions. The Homeless Support Service (HSS) provide advisory and advocacy support for some of the neediest in our local area and offer practical guidance to a wide range of people at risk of finding themselves without accommodation. Inevitably, more clients are presenting with multiple complex needs, often involving severe mental and physical health issues.

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.

The (HSS) formally supported 177 clients in 2020, with support given to well over 50 further clients. With the issues raised by the pandemic, the usual recording we undertake for clients took second place to ensure we could provide as much support for clients as possible. Despite the challenges of COVID-19, the number of clients housed (63) by accessing the service during 2020 was an increase in 2019 (51). This is a tribute to staff and triaging volunteers who worked remotely.

Finding affordable housing stock in line with local authority housing benefit rates continues to be extremely difficult. The challenge ahead is to promote supported housing initiatives, such as Housing First, for clients with the most complex needs.

At the end of the year we learned that we would be saying goodbye early in the New Year to John Burgess after nine years working for the charity. We thank him for his hard work and dedication to the service and wish him well in the new post to which he has moved.

#### Shepway Food Bank

The Foodbank Manager joined the Centre on 2nd March 2020, and within three weeks, we went into the first COVID-19 lockdown. She quickly adapted service delivery to comply with the Covi-19 restrictions, which placed an additional burden on the few volunteers who could work safely in the Warehouse and at the Foodbank. Referral agencies were set-up to issue e-vouchers remotely. As our priority was to feed those in need in the safest possible way, we suspended meeting clients over tea and coffee but missed the opportunity for conversation and signposting to other support agencies.

From our Foodbanks in Lydd, Folkestone Methodist Church and Romney Marsh Community Centre, in March 2020, we fed 874 people, increasing 241% compared with the previous year (256); the equivalent of 7866 meals. At Christmas, we gave out approximately 150 bags to schools, the Winter Shelter and Food Stop. These bags were packaged by volunteers and delivered with the help of a group of Saga staff.

Thankfully, whilst the client numbers remained higher than in previous years, the demand levelled off as we moved through the lockdown. In all of 2020, 38,041 kgs of food were given out to 3816 people including 1504 children. Compared to 2019, the number using the foodbank increased by 10% while that of children increased by 18%.

## **Folkestone Rainbow Centre**

### **Trustees' Report**

We saw various clients at the foodbanks who had been affected by the pandemic, including self-employed clients whose incomes had stopped overnight, hotel workers on zero-hour contracts. These families were struggling since their children were at home rather than at school. Benefit claims were taking longer to process due to staff having to work remotely and due to the increase in demand.

While our traditional stock sources, churches and schools closed, the supermarkets, individuals, local clubs and business donations compensated, helping to maintain stock levels. We also sought alternative ways of donating and now use an app called Spareable, which allows donors to buy items and pay for them online, which are then delivered directly to the Warehouse, generating a steady weekly stock flow.

Despite being a challenging year, our wonderful volunteers ensured smooth operations from our food warehouse to the Foodbanks all year round.

#### **FoodStop**

Despite the COVID-19 pandemic, Food Stop maintained its outreach service, operating three evenings in two street locations throughout 2020. As part of the raft of Covid-19 risk reduction measures introduced, we also suspended offering hot drinks. Clients were given a bag containing sandwiches, water, a packet or a tin of soup to minimise contact and are grateful for the supermarkets and individuals who regularly donated food. The service also provided much-needed essentials, including toiletries, sleeping bags and various items of clothing.

Clients numbers were significantly higher at the beginning of lockdown ranging between 85 and 130 people per week; however, as new emergency food providers emerged as a response to the pandemic, numbers dropped significantly to around 65 per week.

A much-reduced team of volunteers shouldered the service delivery as some of the 39 volunteers and Team leaders had to shield for most of 2020.

FoodStop, which is often the first point of contact for these "hard to reach" group, is effectively an outreach element of the Homeless Support Service. Its volunteers provide regular updates for the HSS project workers, who can monitor the welfare of the clients who might not regularly engage with the Centre itself.

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

Despite the uncertainties created by the global Covid-19 pandemic, the Rainbow Centre Trustees and local churches were determined to provide a safe place to sleep for local rough sleepers during winter 2020-2021.

With the help of the local church partners, volunteers and additional funding from Folkestone Hythe and Dover District Council grant, we switched from our rolling shelter model to a static shelter space deemed the safest and the most appropriate way forward for all. We rented ten rooms in a local B&B and launched the 12th year of Shelter from 1 December 2020 through to 31 March 2021.

From Day One, the Shelter had 11 guests as we had a couple, turning away 14 potential guests. Dover Outreach Centre accommodated three guests. As we started accepting the registrations, the numbers were constantly rising, with newly found rough sleepers, people leaving prisons to No Fixed Abode, people evicted despite the eviction ban and sofa surfing clients who had lost their options to yet another lockdown looming. Having room to be in at all times gave our guests a sense of dignity, with 65% had life-long connections to Folkestone. Over 20% were women, similar to the number of homeless women in our area and the national trends. We already knew more than 50% of the guests through accessing the Homeless Support Service and working closely with Porchlight Outreach Workers. Due to stricter rules in place when using self-contained hotel accommodation, four bans were issued; one client left the Shelter on his own accord.

## Folkestone Rainbow Centre

### Trustees' Report

Despite the challenges of social distancing, we continued to offer a regular advocacy service, making universal credit and 'Homechoice' applications. Six guests moved into accommodation through the rent deposit scheme. We also supported guests to access COVID-19 related services, from testing to vaccinations and the national census. We referred some to appropriate support agencies, including the Drug & Alcohol Forward Trust, the Haven, etc.

Unfortunately, we could not offer any social interaction to our guests and volunteers due to the high risks of transmitting Covid-19. We received 80 volunteer applications and accepted help from 56 who cooked and delivered over 1200 meals. We thank local churches for their unwavering support.

We are grateful to Folkestone Hythe District, which in the last week of the Shelter confirmed that they would take on all remaining eight guests in the B&B until their - often ongoing - move-on option becomes a reality for a maximum of three months. A great success and added feeling of security for our guests!

#### Family Contact

The Rainbow Family Contact Centre provides a safe space where children can meet the parents they don't live with. The Family Contact Centre, one of the oldest services of the Rainbow Centre, continues to exist because the need for it is there and sadly has increased as family breakdowns and separation rise in our communities. The Centre opens every other Saturday from 10 am to 1 pm; the amount of time the children spend at the Centre varies: some come for every session and some on a monthly or six-weekly basis. During the sessions, the children enjoy the non-resident parent company, playing with toys, games and may engage in crafts; and a Christmas party for the children and their families organised each year. The Centre's impact is huge on those families who have separated and need access to their children and is now the only Centre of its kind open in the local area.

Unfortunately, due to Covid-19 pandemic, we were only able to provide ten sessions throughout the year. We had 14 families registered with us, and although we couldn't offer many sessions, support and advice continued to be offered over the telephone. We are pleased that 4 of our clients moved on and are enjoying contact out in the community.

Within the year, we reviewed the service and introduced a one-off registration fee for new clients to curb the number of 'no shows' to fully utilise the limited spaces.

The Contact Service addresses one of our strategic focus areas of family matters; demand for the service is rising; with sufficient volunteers, there is scope to expand the service when the Covid-19 pandemic ends.

#### FINANCIAL REVIEW

##### Reserves Policy

It has been the policy of the charity to keep cash assets of a minimum of three months running costs with a target of about six months. Trustees clarified in the course of the year that this minimum and target applied separately to the charity's restricted and unrestricted reserves.

As at 31 December 2020 cash at bank and in hand was £268,851, of which £125,196 related to restricted funds. After allowing for liabilities of £17,721 the remaining balance stands at £125,934 which represents about five months of total monthly expenditure and around eight months expenditure from unrestricted funds.

#### TRUSTEE APPOINTMENTS

As noted above, there was one change in the trustee body in 2020 and a further is expected in 2021. though we welcomed Stephen Corner as secretary to the trustees.



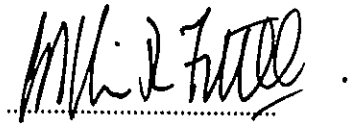
## Folkestone Rainbow Centre

### Trustees' Report

#### FUTURE DEVELOPMENTS

The main challenge for 2021 is to restore the full level of services as soon as Covid related restrictions permit. Staff changes mean that the Housing Support Service will be under new leadership. And the charity will experience a significant, though natural and welcome diversification of its work as a result of assuming responsibility for the Money Matters programme. Alongside this there will be need to develop specific new initiatives to give substance to the 'Walking the extra mile' strategy.

Approved by the Board and signed on its behalf by:



Sir W R Fittall

Chair of Trustees

Date.....28/7/21..

## Folkestone Rainbow Centre

### Statement of Trustees' Responsibilities

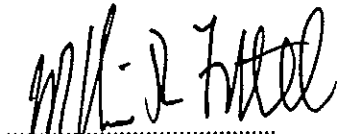
The trustees (who are also the directors of Folkestone Rainbow Centre for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and 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 20/7/21 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 2020 which are set out on pages 10 to 28.

#### 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.

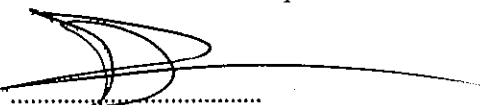
#### Independent examiner's statement

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  
1-2 Rhodium Point  
Spindle Close  
Hawkinge  
Folkestone  
Kent  
CT18 7TQ

Date: 29/7/21.....

## Folkestone Rainbow Centre

### Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	151,827	39,256	191,083
Charitable activities	4	-	93,267	93,267
Other trading activities	5	19,864	5	19,869
Investment income	6	25,064	9	25,073
Other income	7	20,000	-	20,000
<b>Total Income</b>		<u>216,755</u>	<u>132,537</u>	<u>349,292</u>
<b>Expenditure on:</b>				
Charitable activities	8	(203,883)	(113,837)	(317,720)
<b>Total Expenditure</b>		<u>(203,883)</u>	<u>(113,837)</u>	<u>(317,720)</u>
<b>Net income</b>		<u>12,872</u>	<u>18,700</u>	<u>31,572</u>
Net movement in funds		12,872	18,700	31,572
Total funds brought forward		465,861	103,027	568,888
Total funds carried forward	21	<u>478,733</u>	<u>121,727</u>	<u>600,460</u>

#### 2019 Accounts

	Note	Unrestricted £	Restricted £	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
<b>Total Income</b>		<u>235,792</u>	<u>82,215</u>	<u>318,007</u>
<b>Expenditure on:</b>				
Charitable activities	8	(169,365)	(66,256)	(235,621)
<b>Total Expenditure</b>		<u>(169,365)</u>	<u>(66,256)</u>	<u>(235,621)</u>
<b>Net income</b>		<u>66,427</u>	<u>15,959</u>	<u>82,386</u>
Net movement in funds		66,427	15,959	82,386
Total funds brought forward		399,433	87,067	486,500
Total funds carried forward	21	<u>465,860</u>	<u>103,026</u>	<u>568,886</u>

The notes on pages 13 to 28 form an integral part of these financial statements.

## Folkestone Rainbow Centre

(Registration number: 04318070)  
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	15	348,615	351,373
Investments	16	<u>1</u>	<u>1</u>
		<u>348,616</u>	<u>351,374</u>
<b>Current assets</b>			
Debtors	17	9,602	10,971
Cash at bank and in hand	18	<u>268,851</u>	<u>290,267</u>
		278,453	301,238
<b>Creditors: Amounts falling due within one year</b>	19	<u>(26,609)</u>	<u>(24,690)</u>
<b>Net current assets</b>		<u>251,844</u>	<u>276,548</u>
<b>Total assets less current liabilities</b>		600,460	627,922
<b>Creditors: Amounts falling due after more than one year</b>	20	<u>-</u>	<u>(59,036)</u>
<b>Net assets</b>		<u>600,460</u>	<u>568,886</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		121,727	103,026
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>478,733</u>	<u>465,860</u>
<b>Total funds</b>	21	<u>600,460</u>	<u>568,886</u>

The notes on pages 13 to 28 form an integral part of these financial statements.

**Folkestone Rainbow Centre**

**(Registration number: 04318070)  
Balance Sheet as at 31 December 2020**

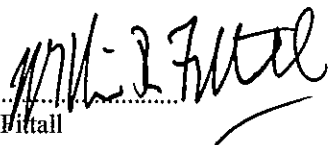
For the financial year ending 31 December 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 10 to 28 were approved by the trustees, and authorised for issue on 20/7/21..... and signed on their behalf by:

  
.....  
Sir W R Biffall  
Trustee

The notes on pages 13 to 28 form an integral part of these financial statements.

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 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 2020

#### *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 2020

#### 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:

Asset class	Depreciation method and rate
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 2020

#### **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 2020

#### 3 Income from donations and legacies

	Unrestricted funds £	Restricted £	Total 2020 £	Total 2019 £
Donations and legacies;				
Appeals and donations	99,738	27,542	127,280	80,710
Gift aid tax reclaimed	4,797	2,180	6,977	8,665
Winter Shelter donations	-	9,534	9,534	13,285
Grants, including capital grants;				
Grants receivable	47,218	-	47,218	84,830
Other income	74	-	74	603
	<u>151,827</u>	<u>39,256</u>	<u>191,083</u>	<u>188,093</u>

#### 4 Income from charitable activities - restricted grants received

	Restricted £	Total 2020 £	Total 2019 £
FoodStop	5,313	5,313	4,675
Folkestone Churches Winter Shelter	46,862	46,862	30,690
Food Bank	41,092	41,092	19,480
	<u>93,267</u>	<u>93,267</u>	<u>54,845</u>

#### 5 Income from other trading activities

	Unrestricted funds £	Restricted £	Total 2020 £	Total 2019 £
Events income;				
Fundraising events	19,864	5	19,869	31,415
	<u>19,864</u>	<u>5</u>	<u>19,869</u>	<u>31,415</u>

#### 6 Investment income

	Unrestricted funds £	Restricted £	Total 2020 £	Total 2019 £
Interest receivable and similar income;				
Interest receivable on bank deposits	400	9	409	23
Income from rents	24,664	-	24,664	24,630
	<u>25,064</u>	<u>9</u>	<u>25,073</u>	<u>24,653</u>

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 7 Other income

	Unrestricted funds £	Total 2020 £	Total 2019 £
Income from trading subsidiary	20,000	20,000	19,000
Other income	-	-	1
	<u>20,000</u>	<u>20,000</u>	<u>19,001</u>

#### 8 Expenditure on charitable activities

	Note	Unrestricted funds £	Restricted £	Total 2020 £	Total 2019 £
General		548	-	548	3,399
FoodStop		-	2,749	2,749	4,523
Folkestone Churches Winter Shelter		-	56,321	56,321	42,044
Homeless Support Service		68,006	-	68,006	73,175
Contact		2,441	-	2,441	3,651
Food Bank		-	45,069	45,069	18,573
Allocated support costs	9	124,983	8,898	133,881	80,496
Governance costs	9	7,905	800	8,705	9,760
		<u>203,883</u>	<u>113,837</u>	<u>317,720</u>	<u>235,621</u>

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 9 Analysis of governance and support costs

##### Support costs allocated to charitable activities

	Other support costs £	Total 2020 £	Total 2019 £
General	123,733	123,733	78,132
FoodStop	369	369	492
Folkestone Churches Winter Shelter	6,006	6,006	8
Contact	1,250	1,250	1,248
Food Bank	2,523	2,523	616
	<u>133,881</u>	<u>133,881</u>	<u>80,496</u>

##### Governance costs

	Unrestricted funds £	Restricted £	Total 2020 £	Total 2019 £
Independent examiner fees				
Examination of the financial statements	2,220	-	2,220	2,220
Other governance costs	<u>5,685</u>	<u>800</u>	<u>6,485</u>	<u>7,540</u>
	<u>7,905</u>	<u>800</u>	<u>8,705</u>	<u>9,760</u>

#### 10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2020 £	2019 £
Loss on disposal of fixed assets held for the charity's own use	668	-
Depreciation of fixed assets	<u>10,135</u>	<u>9,710</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 £2,219 (2019 £1,932) in pay and the charity also paid employer's national insurance contributions of £32 (2019 - £36).

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 2020

#### 12 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
<b>Staff costs during the year were:</b>		
Wages and salaries	166,088	142,603
Social security costs	8,981	7,727
Pension costs	4,147	3,462
	<u>179,216</u>	<u>153,792</u>

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

	2020 No	2019 No
Service delivery	4	4
Support	3	3
Winter Shelter	2	2
Food Bank	2	1
	<u>11</u>	<u>10</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.

The average full time equivalent for the first three quarters of the year was 6.6 and for the final quarter of the year was 7.1.

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

#### 13 Independent examiner's remuneration

	2020 £	2019 £
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 2020

#### 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 2020	374,604	57,282	27,461	459,347
Additions	-	8,045	-	8,045
Disposals	-	(3,753)	-	(3,753)
At 31 December 2020	<u>374,604</u>	<u>61,574</u>	<u>27,461</u>	<u>463,639</u>
<b>Depreciation</b>				
At 1 January 2020	40,280	49,291	18,403	107,974
Charge for the year	4,028	3,842	2,265	10,135
Eliminated on disposals	-	(3,085)	-	(3,085)
At 31 December 2020	<u>44,308</u>	<u>50,048</u>	<u>20,668</u>	<u>115,024</u>
<b>Net book value</b>				
At 31 December 2020	<u>330,296</u>	<u>11,526</u>	<u>6,793</u>	<u>348,615</u>
At 31 December 2019	<u>334,324</u>	<u>7,991</u>	<u>9,058</u>	<u>351,373</u>

Included within the net book value of land and buildings above is £Nil (2019 - £Nil) in respect of freehold land and buildings and £330,296 (2019 - £334,324) in respect of leaseholds.

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 16 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	1	1

#### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 January 2020	1	1
At 31 December 2020	1	1
<b>Net book value</b>		
At 31 December 2020	1	1
At 31 December 2019	1	1

#### 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
			2020	2019	
<b>Subsidiary undertakings</b>					
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 2020

#### Subsidiaries

The loss for the financial period of FRC Commercial Enterprises Ltd was £85 (2019 - £(7,665)) and the aggregate amount of capital and reserves at the end of the period was £7,012 (2019 - £7,096).

#### 17 Debtors

	2020 £	2019 £
Trade debtors	3,025	3,268
Prepayments	4,550	3,990
Other debtors	2,027	3,713
	<u>9,602</u>	<u>10,971</u>

#### 18 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	725	633
Cash at bank	268,126	289,634
	<u>268,851</u>	<u>290,267</u>

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

	2020 £	2019 £
Bank loans	-	11,840
Trade creditors	9,384	2,442
Other taxation and social security	4,345	3,397
Other creditors	7,501	3,001
Accruals	5,379	4,010
	<u>26,609</u>	<u>24,690</u>

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

	2020 £	2019 £
Bank loans	<u>-</u>	<u>11,840</u>

The bank loan was secured on the leasehold property Cornerstone, 69 Sandgate Road, Folkestone, Kent. This loan has been settled within the year.

## Folkestone Rainbow Centre

### Notes to the Financial Statements for the Year Ended 31 December 2020

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

	2020 £	2019 £
Bank loans	<u>-</u>	<u>59,036</u>

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

	2020 £	2019 £
Bank loans	<u>-</u>	<u>59,036</u>

The bank loan was secured on the leasehold property Cornerstone, 69 Sandgate Road, Folkestone, Kent. This loan has been settled within the year.

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

	2020 £	2019 £
After more than five years by instalments	<u>-</u>	<u>9,176</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2020

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
<b>21 Funds</b>				
<b>Unrestricted</b>				
General	465,861	216,755	(203,883)	478,733
<b>Restricted Funds</b>				
FoodStop	12,947	5,946	(3,118)	15,775
Folkestone Churches Winter Shelter	66,449	56,775	(62,327)	60,897
Food Bank	23,631	69,816	(48,392)	45,055
<b>Restricted</b>	103,027	132,537	(113,837)	121,727
<b>Total funds</b>	568,888	349,292	(317,720)	600,460

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2020

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Balance at 31 December 2019 £
<b>2019 Accounts</b>				
<b>Unrestricted</b>				
General	399,433	235,792	(169,365)	465,860
<b>Restricted Funds</b>				
FoodStop	12,760	5,202	(5,015)	12,947
Pre-School Canterbury Road	-	-	-	-
Folkestone Churches Winter Shelter	58,025	50,476	(42,052)	66,449
Food Bank	16,282	26,537	(19,189)	23,630
<b>Restricted</b>	87,067	82,215	(66,256)	103,026
<b>Total funds</b>	486,500	318,007	(235,621)	568,886

## **Folkestone Rainbow Centre**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

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 2020

#### 22 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2020 £
Tangible fixed assets	345,921	2,694	348,615
Fixed asset investments	1	-	1
Debtors	6,877	2,725	9,602
Cash and short-term deposits	143,655	125,196	268,851
Current liabilities	(17,721)	(8,888)	(26,609)
<b>Total net assets</b>	<b>478,733</b>	<b>121,727</b>	<b>600,460</b>

#### 2019 Accounts

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2019 £
Tangible fixed assets	348,027	3,346	351,373
Fixed asset investments	1	-	1
Debtors	8,131	2,840	10,971
Cash and short-term deposits	191,204	99,063	290,267
Current liabilities	(22,466)	(2,223)	(24,689)
Creditors over 1 year	(59,036)	-	(59,036)
<b>Total net assets</b>	<b>465,861</b>	<b>103,026</b>	<b>568,887</b>

#### 23 Related party transactions

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

##### **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 £20,000 (2019 - £19,000) of donations from FRC Commercial Enterprises Ltd.. At the balance sheet date the amount due to FRC Commercial Enterprises Ltd was £1 (2019 - £1).