

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 2022

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

Folkestone Rainbow Centre

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Folkestone Rainbow Centre

Reference and Administrative Details

Trustees

Sir W R Fittall, Passed away on 10th March 2022

Mr N J Buckley

Mrs J A Doherty

Miss D Douse

Mr P C Edwards, Resigned on 19/07/2022

Mr A G Ferguson, Appointed on 26/04/2022

Dr P Le Feuvre

Mr P J Haines, Resigned on 19/07/2022

Mrs E J Pettersen

Dr J Russell

Reverend G I Webber, Appointed on 19/07/2022

Secretary

Mr S C Corner

Registered Office

Cornerstone
69 Sandgate Road
Folkestone
Kent
CT20 2AF

Company Registration Number

04318070

Charity Registration Number

1096570

Independent Examiner

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 2022.

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

There is never room for complacency at the Folkestone Rainbow Centre. Every year brings new challenges, new demands and new possibilities. 2022 was no exception. Demand for our services only increases, year on year, accompanied, as it has been this year, by the worsening of the economic crisis and the pressure on accommodation in the town. Our services responded despite some challenges in the recruitment and retention of staff. Once again, the Winter Night Shelter took the form of accommodation in a local Bed and Breakfast, with meals being delivered by our Church partners and volunteers. Our long-standing services: The Foodbank, the Homeless Support Service, FoodStop and Family Contact Centre, continue to offer their reliable and trusted care and support to those experiencing deprivation and hardship. The Money Matters debt advice service is now firmly embedded in our provision. The Food Pantry opened its doors in the Catholic Church in Hythe, offering dignity and choice to people with limited income. The service has resulted in high client satisfaction, with the creation of other services wrapped around it.

We were humbled and delighted to be awarded Charity of the Year at the Kent Charity Awards on 8th September.

As well as support from central and local government, we continue to be blessed in receiving generously from local businesses, supporters and residents. Many fund-raising bids have been successful. As a result, we had a healthy financial year, and our reserves remain stable and sufficient.

Our Chief Executive, Mary Stredwick, has continued to guide the organisation with wisdom and compassion, allowing us to strengthen our relationships with local partners.

Homeless Support Service and Rainbow Club

In 2022, we had a stable staff team across most of our services except for the Homeless Support Service (HSS), which, when we had invested in training the Homeless Support Service Officers, within months in summer, the two resigned, leaving us to recruit again in time for the 2022/23 Winter Shelter. Thankfully, we recruited a Homeless Support Service Officer who brings vital experience from her previous roles. An apprentice from the Kickstart programme joined the service; we recruited two sessional staff to job-share as Winter Shelter Coordinators. We retained the 2021/22 Winter Shelter Administrator part-time for most of the year to help fill the gaps.

Despite the staff challenges, the Homeless Support Service offered an excellent service through the breakfast social club and the drop-in homeless advice and advocacy service to a growing stream of clients. The Manager continued to embed structured training and upskilling of staff and volunteers, supported by robust data collection using the Homeless Link Inform database. However, some wrap-around support activities and the befriending stalled due to staff changes while the team concentrated on offering the regular housing support service. Building up a volunteer triaging team is still a work in progress.

The Rainbow Club, which expanded during Winter Shelter, remains a safe space and has become a warm bank for many of our former and existing clients; it serves up to 25 clients from Monday to Fridays between 10 am and 1 pm and we are thankful for the dedication and commitment of the volunteers who run the club.

We saw a total of 1740 walk-ins and telephone enquiries requesting housing advice and other support, including accessing showers (177), laundry (294), food parcels (218) and postal facilities services and the Rainbow Club. One hundred and fifty-two enquiries converted to be on our caseload, and it's taking considerable time to resolve cases as there are not many move-on options in the current housing market.

Folkestone Rainbow Centre

Trustees' Report

We witnessed a significant rise in Section 21 and 8 eviction notices from young people and couples seeking our help. The number of clients with complex needs, including mental health and substance abuse, also increased. We managed to move ten clients into rented accommodation, with four accepted as 'priority needs' by the Local Authority, who accommodated them.

Alongside directly housing-focused work, the Homeless Support Service carried out various support activities, including registering clients with GPs, advocacy with the Community Mental Health Team, Probation, Forward (Drug and Alcohol) and referrals to debt agencies.

We continue partnering with external agencies to broaden the services available to clients at the Centre. We now have regular sessions with a weekly nurse, social prescriber, housing clinic and a quarterly mobile dentist.

Finding affordable housing stock in line with local authority housing benefit rates continues to be extremely difficult; landlords refurbish their properties, demanding higher rent, or private landlords sell their properties before the new legislation comes into force. The increased cost of living and energy prices further adversely impacted many in our community.

Shepway Food Bank

With the Food Services Manager in post for over a year, supported by the new Warehouse Coordinator who joined in August, the service has developed to include several fridges and freezers for storing fresh food for Foodbank clients and a Food Pantry, launched in October. Harvest was another resounding success, including the supermarket's annual campaigns and thanks to the dedicated team of volunteers, some of whom serve in other services.

The client numbers returned to pre-pandemic years, and demand has remained even partly because of the increase in other food providers in the district. In 2022, 49,844 kgs of stock left the warehouse compared to 37,655 kgs of food in 2021; the figure has gone up because some of the stock is distributed to our FoodStop, Rainbow Club and the Pantry. The Foodbank fulfilled 1462 vouchers, which fed 3506 people, of which 1395 (40%) were families with children, compared to 2021 when we served 3351 people, with 39% as families. The number of children continues to rise, demonstrating the rising cost of living, among other issues, on families. At Christmas, we gave out approximately 150 bags to schools, the Winter Shelter and Food Stop.

Despite the cost of living challenges, we were amazed at the level of donations; we received 50,535 kg, a 35% increase from 2021, from various sources, including churches, schools, supermarkets, individuals, local clubs and business donations, helping maintain stock levels. The digital ways of donating, such as Spareable, are picking up in popularity with new ones based on real-time data introduced. We thank our wonderful volunteers who ensured smooth operations from our food warehouse to the Foodbanks all year round.

A delivery service continued in the Folkestone and Hythe areas, while the Lydd and New Romney distribution centres maintained a face-to-face service. Because of the lack of a suitable distribution centre in Folkestone, the plan is to offer a mobile service in 2023 with a money advisory service on board.

Food Pantry

This year we opened a new service to complement our other food initiatives, which the Hythe Catholic Church have generously allowed us to set up in their hall. The Pantry is a membership service where local people struggling to make ends meet can access cheap food. It gives members choice, dignity & hope and fills the gap between supermarkets and food banks.

To access the service, people self-refer and apply online to become a member of the Pantry. If approved, they pay a weekly fee of £5 and receive approximately £25 of shopping, including ambient, frozen and fresh produce.

Folkestone Rainbow Centre

Trustees' Report

The Food Pantry opened to all approved members on Monday 4th, October running a morning session. It has had an excellent start and has extended opening days and hours to meet the demand. It has 153 registered members, serving 1053 people since its launch.

The general public, local farmers, supermarkets, and Fair share donate the stock. We plan to offer the Pantry service alongside the mobile food bank in 2023.

FoodStop

We distributed 3016 sandwich packs to clients. The service also provided much-needed essential items, including toiletries, sleeping bags, and clothing. All food and other items are donated using the Harbour Church storage and the Salvation Army Kitchen.

Client numbers remain around 60 per week; the volunteer team is growing but is yet to reach pre-pandemic numbers when we had 40 volunteers.

Folkestone Churches Winter Shelter (FCWS)

As is our ethos, with the Churches Together Folkestone, we provided a safe place to sleep for local rough sleepers during the 2022/23 winter months, offering a static shelter as we did in the last two years. We were fortunate to secure multi-year funding helping us to extend to the end of March. The grant also allowed us to recruit a full-time all-year round Tenancy Sustainment Coordinator, and we are currently recruiting for the post.

We initially rented thirteen self-contained rooms in a local B&B and extended to 16 during some weeks to meet the demand. From day one, the Shelter was full, with a waiting list and again saw more young people, more guests with complex needs, women and couples seeking Shelter.

Having the Winter Shelter under the management of Louise, the Homeless Support Service manager, is beneficial in maintaining continuity of staff engagement with the clients throughout the year. We have seen a much smoother winter shelter and a relaxed joined-up team of staff and volunteers as we gained more experience running a static Shelter.

This year, we offered more wrap-around support to clients, including a Rainbow breakfast/social club during weekdays and evening meals, which helped increase engagement and 'move on' outcomes. We also supported guests in accessing the agency services offered at the Centre and referred some to appropriate support agencies, including the Drug & Alcohol Forward Trust and the Haven. We negotiated new partnerships with housing associations and secured two-bed free spaces in a private rehabilitation clinic.

By the end of March, 20 guests had been through our Shelter, and five were evicted. In total, we found housing solutions for six clients; two went into rehab, and one detoxed in the community, one left the district, two we could not house, leaving a couple for a few weeks in the B&B while we continued to support them with their 'move on' plans. Sadly, one of our younger guests died in December; it was highly traumatic for the staff, volunteers and other guests as he was due to go into supported housing just before his untimely death.

The challenge of finding suitable move-on options persisted this year, but we continue to be nimble and find ways to help our guests not return to the streets.

Seventy-six regular volunteers served on Winter Shelter, and once again, we thank the local churches who partner with us to deliver a high-quality Winter Shelter.

Folkestone Rainbow Centre

Trustees' Report

Family Contact

The Family Contact Centre is one of the oldest services of the Rainbow Centre; it continues to exist because there is still a huge need for the service, with family breakdowns and separations sadly rising in our community. The Courts or Social Services refer Families to the Contact Centre, and we also accept self-referrals.

The Centre opens on alternate Saturdays from 10 am to 1 pm; sessions vary between 1 and 3 hours, and the frequency of sessions varies; some come fortnightly or monthly. The one-off registration fee for new clients to curb the number of 'no shows' to utilise the limited spaces fully is now embedded.

During the sessions, the children enjoy the non-resident parent's company, play with toys and games and may engage in crafts; a Christmas party for the children and their families is organised yearly.

In 2022, we supported 18 children from 14 families, with ages ranging from 6 months to 11 years. We plan to expand the number of places to 14 and have applied for accreditation in 2023.

Money Matters Project

Money Matters supports some of the most vulnerable clients in the community who need additional and intensive support to resolve their debt issues whilst also maximizing their income and agreeing on where they might be able to reduce their outgoings.

The financial advisor's assessment, advice, and Volunteer mentor support enable clients to manage their money, deal with debts, and secure other entitlements, improving their overall quality of life.

Even though the project aims to deliver debt/money advice, it also guides in other areas to ensure the client receives a holistic service that encompasses additional financial support. For example, supporting clients with benefits issues ensures they receive all they are entitled to, making it easier to meet their commitments and preventing further debt amassing. This advice is even more critical in the current climate, with daily living costs increasing.

Advising on housing rights when someone has rent arrears means that they are aware of the rights of the landlord to recover their money, as well as their rights as a tenant and how they might improve their situation.

During the year, Money Matters has assisted and advised a total of 51 clients; debt levels have ranged from £1,500 to £45,000, which, without assistance, would only increase due to accrued interest and charges.

Demand for the Money Matters service is high, and we expect this to continue and increase as the impact of the cost of living continues to be felt. We plan to extend the service to foodbank clients and have a Money Adviser in the mobile food bank van.

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 2022 cash at bank and in hand was £915,735, of which £616,341 related to restricted funds and £100,000 related to designated funds. After allowing for liabilities of £24,044 the remaining balance stands at £175,350 which represents about five months of total monthly expenditure and around eight months expenditure from unrestricted funds.

Folkestone Rainbow Centre

Trustees' Report

TRUSTEE APPOINTMENTS

In March 2022, sadly, our Chair, Sir William Fittall, passed away; Dr Peter Le Feuvre, the former vice-chair, became Chair, and Judith Doherty succeeded him as vice-chair. Phillip Haines, a representative of the Church partnership, was replaced by Gareth Webber from Harbour Church when his term of office ended, and Andrew Ferguson also joined the Board in July.

FUTURE DEVELOPMENTS

There are two exciting developments planned for 2023. With the support of donors, we plan to purchase a van equipped to become a mobile Foodbank and Pantry capable of serving East Folkestone, Hawkinge, Lydd and Romney Marsh.

With the Methodist Church, there are plans for a joint project on the site of the Folkestone Methodist Church. If it is approved and the funding can be secured, two buildings are proposed to be constructed on the site. One at the rear will be year-round accommodation for people experiencing homelessness, with some move-on accommodation in flats. The front building will serve as the Rainbow Centre offices as well as providing space for a Foodbank, a Pantry, a Café and other services. There will be a worship space on the second floor for use by the Methodist Church.

Approved by the Board and signed on its behalf by:



.....
Dr P Le Feuvre

Chair of Trustees

Date.....

18/7/23

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 the incoming resources and application of resources, including its income and expenditure, of the charitable company 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 accounting standards, comprising FRS 102 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 proper accounting records that can 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on18/7/23..... and signed on its behalf by:



.....
Dr P Le Feuvre
Trustee

Folkestone Rainbow Centre

Independent Examiner's Report to the trustees of Folkestone Rainbow Centre ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (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 the Company 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.

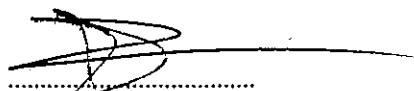
Independent examiner's statement

Since the Company'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: 18/7/23

Folkestone Rainbow Centre

Statement of Financial Activities for the Year Ended 31 December 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	269,497	200,791	470,288
Charitable activities	4	-	120,407	120,407
Other trading activities	5	3,122	-	3,122
Investment income	6	41,585	3	41,588
Other income	7	18,000	-	18,000
Total Income		<u>332,204</u>	<u>321,201</u>	<u>653,405</u>
Expenditure on:				
Charitable activities	8	<u>(259,844)</u>	<u>(158,838)</u>	<u>(418,682)</u>
Total Expenditure		<u>(259,844)</u>	<u>(158,838)</u>	<u>(418,682)</u>
Net income		<u>72,360</u>	<u>162,363</u>	<u>234,723</u>
Net movement in funds		72,360	162,363	234,723
Total funds brought forward		<u>562,399</u>	<u>522,073</u>	<u>1,084,472</u>
Total funds carried forward	20	<u>634,759</u>	<u>684,436</u>	<u>1,319,195</u>

2021 Accounts

	Note	Unrestricted £	Restricted £ (As restated)	Total 2021 £ (As restated)
Income and Endowments from:				
Donations and legacies	3	218,901	394,544	613,445
Charitable activities	4	-	142,755	142,755
Other trading activities	5	13,399	-	13,399
Investment income	6	33,645	5	33,650
Other income	7	28,000	-	28,000
Total Income		<u>293,945</u>	<u>537,304</u>	<u>831,249</u>
Expenditure on:				
Charitable activities	8	<u>(210,278)</u>	<u>(136,957)</u>	<u>(347,235)</u>
Total Expenditure		<u>(210,278)</u>	<u>(136,957)</u>	<u>(347,235)</u>
Net income		<u>83,667</u>	<u>400,347</u>	<u>484,014</u>
Net movement in funds		83,667	400,347	484,014
Total funds brought forward		<u>478,732</u>	<u>121,726</u>	<u>600,458</u>
Total funds carried forward	20	<u>562,399</u>	<u>522,073</u>	<u>1,084,472</u>

The notes on pages 13 to 27 form an integral part of these financial statements.

Folkestone Rainbow Centre

**(Registration number: 04318070)
Balance Sheet as at 31 December 2022**


	Note	2022 £	2021 £ (As restated)
Fixed assets			
Tangible assets	15	345,232	340,376
Investments	16	<u>1</u>	<u>1</u>
		<u>345,233</u>	<u>340,377</u>
Current assets			
Debtors	17	94,298	395,862
Cash at bank and in hand	18	<u>915,735</u>	<u>383,698</u>
		1,010,033	779,560
Creditors: Amounts falling due within one year	19	<u>(36,071)</u>	<u>(35,465)</u>
Net current assets		<u>973,962</u>	<u>744,095</u>
Net assets		<u>1,319,195</u>	<u>1,084,472</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		684,436	522,073
Unrestricted income funds			
Unrestricted funds		<u>634,759</u>	<u>562,399</u>
Total funds	20	<u>1,319,195</u>	<u>1,084,472</u>

For the financial year ending 31 December 2022 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.

The financial statements on pages 10 to 27 were approved by the trustees, and authorised for issue on 18/7/23 and signed on their behalf by:



.....
Dr P Le Feuvre
Trustee

The notes on pages 13 to 27 form an integral part of these financial statements.

Folkestone Rainbow Centre

Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £	2021 £(As restated)
Cash flows from operating activities			
Net cash income		234,723	484,014
Adjustments to cash flows from non-cash items			
Depreciation		13,723	8,729
Investment income		(41,588)	(33,650)
Loss on disposal of tangible fixed assets		4,717	-
		211,575	459,093
Working capital adjustments			
Decrease/(increase) in debtors	17	301,564	(386,260)
Increase in creditors	19	606	8,856
		513,745	81,689
Net cash flows from operating activities			
Cash flows from investing activities			
Interest received		4,028	345
Income from rents		37,560	33,305
Acquisitions of tangible assets		(23,296)	(490)
		18,292	33,160
Net cash flows from investing activities			
Net increase in cash and cash equivalents		532,037	114,849
Cash and cash equivalents at 1 January		383,698	268,849
		915,735	383,698
Cash and cash equivalents at 31 December		915,735	383,698

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 13 to 27 form an integral part of these financial statements.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

Prior period errors

Legacy Income

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to prior periods before the prior period disclosed in these financial statements £
Legacy income	-	(366,118)	-
Accrued income	-	366,118	-

Legacy income received in the 31st December 2022 financial year should have been recognised in the 31st December 2021 financial year as probate was granted in that year and it was realistic to assume the income would be received and the amount identifiable.

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.

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.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

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.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

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.

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.
Computer equipment	3 years straight line

Business combinations

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

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

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.

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.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

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.

3 Income from donations and legacies

	Unrestricted funds £	Restricted £	Total 2022 £	(As restated) Total 2021 £
Donations and legacies;				
Appeals and donations	137,554	183,959	321,513	164,181
Legacies	-	-	-	366,118
Gift aid tax reclaimed	5,490	1,731	7,221	6,051
Winter Shelter donations	-	5,831	5,831	5,752
Grants, including capital grants;				
Grants receivable	125,233	9,270	134,503	71,081
Other income	1,220	-	1,220	262
	<u>269,497</u>	<u>200,791</u>	<u>470,288</u>	<u>613,445</u>

4 Income from charitable activities - restricted grants received

	Restricted £	Total 2022 £	Total 2021 £
FoodStop	6,358	6,358	14,850
Folkestone Churches Winter Shelter	99,649	99,649	110,913
Food Bank	14,400	14,400	16,992
	<u>120,407</u>	<u>120,407</u>	<u>142,755</u>

5 Income from other trading activities

	Unrestricted funds £	Total 2022 £	Total 2021 £
Events income;			
Fundraising events	3,122	3,122	13,399
	<u>3,122</u>	<u>3,122</u>	<u>13,399</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

6 Investment income

	Unrestricted funds £	Restricted £	Total 2022 £	Total 2021 £
Interest receivable and similar income;				
Interest receivable on bank deposits	4,025	3	4,028	345
Income from rents	<u>37,560</u>	<u>-</u>	<u>37,560</u>	<u>33,305</u>
	<u>41,585</u>	<u>3</u>	<u>41,588</u>	<u>33,650</u>

7 Other income

	Unrestricted funds £	Total 2022 £	Total 2021 £
Income from trading subsidiary	<u>18,000</u>	<u>18,000</u>	<u>28,000</u>

8 Expenditure on charitable activities

	Note	Unrestricted funds £	Restricted £	Total 2022 £	Total 2021 £
General		60	-	60	20
FoodStop		-	4,278	4,278	4,662
Folkestone Churches Winter Shelter		-	85,500	85,500	67,186
Homeless Support Service		109,296	-	109,296	62,997
Contact		3,921	-	3,921	3,450
Food Bank		-	56,010	56,010	55,389
Allocated support costs	9	138,840	13,050	151,890	145,082
Governance costs	9	<u>7,727</u>	<u>-</u>	<u>7,727</u>	<u>8,449</u>
		<u>259,844</u>	<u>158,838</u>	<u>418,682</u>	<u>347,235</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

9 Analysis of governance and support costs

Support costs allocated to charitable activities

	Other support costs £	Total 2022 £	Total 2021 £
FoodStop	208	208	277
Folkestone Churches Winter Shelter	6,003	6,003	6,004
Contact	1,250	1,250	1,250
Food Bank	3,749	3,749	2,396
Fixed assets fund	3,090	3,090	-
Wages	63,592	63,592	57,515
Staff NIC	2,820	2,820	2,592
Staff pensions	2,408	2,408	2,167
Recruitment and employment costs	617	617	1,502
Rates	365	365	440
Light and heat	8,809	8,809	10,366
Insurance	5,451	5,451	3,318
Repairs	4,440	4,440	14,866
Telephone	7,392	7,392	3,231
Computer expenses	2,488	2,488	3,944
Printing, postage and stationery	698	698	1,288
Sundry expenses	4,163	4,163	3,392
Cleaning	9,799	9,799	13,203
Travelling	115	115	150
Legal and professional fees	10,856	10,856	9,061
Bank charges	64	64	64
Depreciation	8,797	8,797	8,056
Loss on disposal of fixed assets	4,716	4,716	-
	<u>151,890</u>	<u>151,890</u>	<u>145,082</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

Governance costs

	Unrestricted funds £	Total 2022 £	Total 2021 £
Independent examiner fees			
Examination of the financial statements	2,220	2,220	2,220
Other governance costs	5,507	5,507	6,229
	<u>7,727</u>	<u>7,727</u>	<u>8,449</u>

10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2022 £	2021 £
Loss on disposal of tangible fixed assets	4,716	-
Depreciation of fixed assets	13,723	8,729
	<u>18,439</u>	<u>8,729</u>

11 Trustees remuneration and expenses

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

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

12 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	200,563	161,377
Social security costs	11,023	8,323
Pension costs	4,410	3,207
	<u>215,996</u>	<u>172,907</u>

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

	2022 No	2021 No
Service delivery	7	5
Support	2	2
Winter Shelter	2	1
Food Bank	3	3
	<u>14</u>	<u>11</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

The average number of employees during 2022 includes 5 full time staff and the remainder is made up of part time staff.

The average full time equivalent for the year was 9.9.

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

13 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	2,220	2,220

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 £	Computer equipment £	Total £
Cost					
At 1 January 2022	374,604	62,063	27,461	-	464,128
Additions	-	4,980	-	18,317	23,297
Disposals	-	(12,731)	-	-	(12,731)
	374,604	54,312	27,461	18,317	474,694
At 31 December 2022	374,604	54,312	27,461	18,317	474,694
Depreciation					
At 1 January 2022	48,336	53,052	22,366	-	123,754
Charge for the year	4,028	2,315	1,274	6,106	13,723
Eliminated on disposals	-	(8,015)	-	-	(8,015)
	52,364	47,352	23,640	6,106	129,462
At 31 December 2022	52,364	47,352	23,640	6,106	129,462
Net book value					
At 31 December 2022	322,240	6,960	3,821	12,211	345,232
At 31 December 2021	326,268	9,011	5,095	-	340,374

Included within the net book value of land and buildings above is £Nil (2021 - £Nil) in respect of freehold land and buildings and £322,240 (2021 - £326,268) in respect of leaseholds.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

16 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	1	1

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2022	1	1
At 31 December 2022	1	1
Net book value		
At 31 December 2022	1	1
At 31 December 2021	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
			2022	2021	
Subsidiary undertakings					
FRC Commercial Enterprises Ltd	England and Wales	Ordinary	100%	100%	Charity shop

Subsidiaries

The profit for the financial period of FRC Commercial Enterprises Ltd was £5,686 (2021 - £(636)) and the aggregate amount of capital and reserves at the end of the period was £12,061 (2021 - £6,375).

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

17 Debtors

	2022 £	2021 £ (As restated)
Trade debtors	17,130	23,400
Prepayments	8,968	4,445
Accrued income	66,154	366,118
Other debtors	2,046	1,899
	<u>94,298</u>	<u>395,862</u>

18 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	1,056	751
Cash at bank	914,679	382,947
	<u>915,735</u>	<u>383,698</u>

19 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	12,717	17,115
Other taxation and social security	4,846	4,034
Other creditors	8,174	9,047
Accruals	10,334	5,269
	<u>36,071</u>	<u>35,465</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

20 Funds	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted				
General	462,399	332,204	(259,844)	534,759
Designated	100,000	-	-	100,000
Total unrestricted	(562,399)	(332,204)	259,844	(634,759)
Restricted Funds				
FoodStop	26,289	6,358	(4,486)	28,161
Folkestone Churches Winter Shelter	104,938	105,663	(91,503)	119,098
Food Bank	24,728	49,910	(59,759)	14,879
Computer Equipment Purchase Fund	-	9,270	(3,090)	6,180
Property fund	366,118	150,000	-	516,118
Restricted	522,073	321,201	(158,838)	684,436
Total funds	1,084,472	653,405	(418,682)	1,319,195

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
2021 Accounts					
Unrestricted					
General	478,732	293,945	(210,278)	(100,000)	462,399
Designated	-	-	-	(100,000)	(100,000)
Total unrestricted	<u>(478,732)</u>	<u>(293,945)</u>	<u>210,278</u>	<u>-</u>	<u>(562,399)</u>
Restricted Funds					
FoodStop	15,775	15,454	(4,939)	-	26,290
Pre-School Canterbury Road	-	-	-	-	-
Folkestone Churches Winter Shelter	60,896	117,231	(73,190)	-	104,937
Food Bank	45,055	38,501	(58,828)	-	24,728
Property fund	-	366,118	-	-	366,118
Restricted	<u>121,726</u>	<u>537,304</u>	<u>(136,957)</u>	<u>-</u>	<u>522,073</u>
Total funds	<u>600,458</u>	<u>831,249</u>	<u>(347,235)</u>	<u>-</u>	<u>1,084,472</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

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 designated fund is used for future property repairs and refurbishments or for future property purchases.

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.

The fixed asset fund has been created this year as a grant was received for the purchase of computer equipment.

21 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 December 2022
	General	Designated		
	£	£	£	£
Tangible fixed assets	333,630	-	11,602	345,232
Fixed asset investments	1	-	-	1
Debtors	25,779	-	68,519	94,298
Cash and short-term deposits	199,394	100,000	616,341	915,735
Current liabilities	(24,044)	-	(12,027)	(36,071)
Total net assets	<u>534,760</u>	<u>100,000</u>	<u>684,435</u>	<u>1,319,195</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2022

2021 Accounts

	Unrestricted funds		Restricted funds £	Total funds at 31 December 2021 £ (As restated)
	General £	Designated £		
Tangible fixed assets	338,355	-	2,021	340,376
Fixed asset investments	1	-	-	1
Debtors	7,526	-	388,336	395,862
Cash and short-term deposits	141,949	100,000	141,749	383,698
Current liabilities	(25,431)	-	(10,034)	(35,465)
Total net assets	<u>462,400</u>	<u>100,000</u>	<u>522,072</u>	<u>1,084,472</u>

22 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 £18,000 (2021 - £28,000) of donations from FRC Commercial Enterprises Ltd. At the balance sheet date the amount due from FRC Commercial Enterprises Ltd was £179 (2021 - £1 due to).

