

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 2016

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

Folkestone Rainbow Centre

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Folkestone Rainbow Centre

Reference and Administrative Details

Trustees	Mr R C Bristow (resigned 27 July 2016) Miss D Douse Mr A P Risley-Settle Mrs B M Wight Mrs W P Davies (resigned 27 March 2017) Reverend D J Barker (resigned 1 February 2016) Dr T J Cooke-Davies Dr P Le Feuvre (appointed 1 February 2016) Dr J Russell (appointed 1 April 2016) Reverend S Webber (appointed 1 February 2016) Sir W R Fittall (appointed 1 December 2016)
Secretary	L R Maxfield
Principal Office	Cornerstone 69 Sandgate Road Folkestone Kent CT20 2AF
Company Registration Number	04318070
Charity Registration Number	1096570
Independent Examiner	The charity is incorporated in England and Wales. Beresfords Chartered Accountants Castle House Castle Hill Avenue Folkestone Kent CT20 2TQ

Folkestone Rainbow Centre

Trustees' Report

Small company provisions

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

STRUCTURE, GOVERNMENT AND MANAGEMENT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2016.

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 have 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

Objectives and Aims

The charity's objects are to run a centre for the benefit of the inhabitants of Folkestone and the neighbourhood without distinction of sex or age, or of political, religious or other opinions and to promote the welfare of the needy of Folkestone District in any manner which now is or hereafter may be demised by law to be charitable.

Folkestone Rainbow Centre continues to focus on the welfare of people in need. Our sources of income for the Folkestone Rainbow Centre's work continues to be many and varied. In addition to the monies which are granted, donated, given, raised and otherwise secured, we receive a large amount of gifts in kind, such as food, sleeping bags, blankets, toiletries and items for raffles.

In addition to these, we also occasionally receive gifts of vouchers such as Nectar etc, which FoodStop can use to reduce the costs of their purchases. We receive gifts to help stock up our food store room at the Centre to provide food for the homeless and otherwise needy of Shepway.

We wish to acknowledge all those individuals, churches, organisations and local authorities who collectively, whether in monetary terms or in kind, contribute so generously to our work. In planning the charity's activities we have kept in mind the Charity Commission's guidance on public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

This has been another notable year that has seen so many developments in our work. Developing our Rainbow Food Warehouse in Hythe, purchasing two vans, with support from both Channel and Folkestone Rotary Clubs for one of them; renovating our shower room and setting up a Shepway Foodbank distribution centre at Folkestone Methodist Church to name but a few. We have been extremely grateful for the community support without which these developments wouldn't have been possible.

Folkestone Rainbow Centre

Trustees' Report

During the year we were successful in receiving Local Sustainability Fund from the Cabinet Office. This has been a huge opportunity for us to step back and look at how we can strengthen and develop our charity. This project has been well managed by Richard Bellamy who has sought to involve volunteers and staff in various aspects of our development. This all takes time to build on the building blocks of all the hard work that has gone on over the last 31 years to grow this amazing grass roots Christian charity.

Much has been going on to help strengthen various aspects of the organisation including finances, governance, communication and planning for the future, which going forward will reap huge benefits for the sustainability of the Rainbow Centre in time to come. It has also given us time to reflect on our purpose, vision and values which are at the heart of why we do what we do. We have been hugely grateful for the input of volunteers and staff in shaping these. Our new purpose statement reads as follows.....

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

The five values identified below, are those that the Trustees believe to be appropriate to guide and motivate everything that is done in the name of the Rainbow Centre. They should be the stamp that runs through all our services, like the name that runs through a stick of rock. In all that we do, we aspire to be:

Respect

Recognising the worth of all people, and accepting people where they are as a starting point for support and help whilst encouraging aspiration, personal action and resilience.

Compassion

Treating all people with sympathy, consideration, kindness and fairness.

Excellence

Aiming for excellence and consistently high standards in all areas in which we operate.

Collaboration

Working together as a team, and actively seeking partnership with all those who care, recognising that more is achieved through cooperation than competition.

Commitment

Persevering in promoting the well-being of those in Shepway who are experiencing deprivation or hardship and in helping them to transform their lives. Our vision going forward over the next 3 years is as follows...

By December 2020 the Rainbow Centre will be a responsive organisation that puts its values into action to help transform the lives of individuals, families and the community. We shall achieve this vision through the delivery of a wider range of services by a larger and better resourced team of volunteers and staff, supported by a more developed local profile and stronger links with the churches.

Folkestone Rainbow Centre

Trustees' Report

Shepway Foodbank

The Shepway Foodbank has had a busy year, consolidating the three Folkestone district distribution centres onto one new site at Folkestone Methodist Church, which now opens twice a week. The vast majority of volunteers from these three sites have continued to support our work and moved to the new site. We would like to thank the churches for their support during our time working from Old Lady Help of Christians, Folkestone Baptist Church and St. Luke's, Hawkinge and their understanding of our move to the new premises. The New Romney distribution centre has also amended its opening times to one session per week due to lack of volunteers and clients.

The Shepway distribution centres have supported 1271 local residents with food. The main reasons for people using the foodbank are benefit changes/delays leading to family crises. The distribution centre volunteers continue to offer a warm welcome and compassion as people experience trauma in their lives.

FoodStop

FoodStop has continued its work of three nights a week on the streets of Folkestone serving soup, hot drinks and sandwiches three nights a week from the back of the car to the street homeless and others in need. We serve anything from 11 to 46 a night, so unpredictability is a constant challenge.

Food comes from the general donations made to the Food Warehouse, and we are also financially supported by some regular individual standing orders and one-off gifts from churches. Thirty five volunteers commit to regular shifts going out in all weathers, or preparing the food, managing food orders, finance, car maintenance and other vital jobs.

FoodStop is an integral part of other Rainbow services, working closely with Homeless Support Service, the Winter Shelter and other partnership agencies. Another dedicated team run the annual Christmas dinner on Boxing Day

Homeless Support Service and Rainbow Club

The appointment based Homeless Support Service (HSS) has now been running for a full calendar year, continuing to run at high demand. 581 people accessed the service in 2016 with 281 (48%) homeless, 119 (20%) vulnerably housed or at risk of eviction and 181 (31%) at the early intervention stage to prevent homelessness. 332 (57%) clients had never been to the Rainbow Centre before.

As of the 31st December, 2016, the Rainbow Centre was working with 114 homeless clients. Of 167 homeless clients who had passed through the service at that stage; 47% were housed; 23% failed to engage; 30% other (returned to area of connection, moved away etc.).

The appointment based service allows staff to allocate more time to dedicated support for clients that are presenting with increasingly complex needs. The HSS faces continued change in the sector and is impacted by the shortage in affordable accommodation and cuts to both government and non-government funded services.

In seeking to meet these challenges, the service periodically reviews how it can try to meet the demands made with the resources at its disposal. HSS staff have met with Shepway District Council, Porchlight and other agencies to develop a multi-agency approach to the concerns of those most entrenched rough sleepers. Key to the success of this is involving guests themselves, showing their input is valued, and encouraging them to engage.

Folkestone Rainbow Centre

Trustees' Report

A great disappointment this year was to lose Rachael Featherstone, NHS Mental Health Nurse. Rachael provided an excellent service to some of the 41% of clients presenting with mental health concerns. Her friendly, accessible, non-clinical approach made clients feel at ease and enabled breakthrough where engagement with mental health services can so often be difficult.

The HSS continues to work with service providers, including the NHS, to see what we can do to help with enabling clients to achieve more sustainable lifestyles. A flu prevention programme was run for the second year.

A key component of the HSS is the work that is carried out with foreign nationals who represent 34% of the clients who access the service. Jana Ernest is our Migrant Support Worker who provides support and advice for a whole host of issues from benefit advice through to repatriation.

An essential component of the HSS is the provision of practical support. This ensures clients can maintain dignity and self-respect whilst working with the service to resolve their concerns. People who find themselves homeless can have a shower, their clothes washed and their mail sent to the Rainbow Centre. In addition 761 emergency food bags, provided by Shepway Foodbank, were issued to 296 guests who were homeless and/or without a source of income.

The workload of staff is made easier by a loyal and supportive volunteer team working in the HSS and Rainbow Club. 2589 volunteer hours were provided last year by 28 volunteers, ensuring that the Rainbow Centre is able to continue providing the support it does to those most in Crisis in Folkestone and Shepway.

Folkestone Churches Winter Shelter (FCWS)

The Folkestone Churches' Winter Shelter (FCWS) operated from the beginning of December 2015, marking the seventh year that the most vulnerable people of our community have been offered sanctuary over the coldest months of the year. It opened in the eighth consecutive year December 2016.

183 volunteers were involved in 2015/16 shelter operation. The occupancy rate was 81%. 1778 meals were served, during the 84 nights that it was open, of whom 9 stayed for 50 nights or more. The age distribution of guests was more even than in previous years with a larger than ever presence of those in the 18-24 and 60-69 age range.

The primary purpose of the Shelter continues to provide a warm and secure lodging for people who would otherwise face the prospect of being on the streets or in other wholly unsatisfactory circumstances during the coldest months of the year. But once again engagement with the shelter and the Centre's homelessness support service also enabled positive ongoing housing outcomes to be secured for many.

From humble beginnings back in 2009, the Shelter project has grown and now operates out of seven church venues, with a capacity of 13 bed spaces each evening. Once upon a time, Folkestone was the only town in the county offering shelter provision but Kent now boasts a network of ten organisations which provide life-saving accommodation between December and February.

2015/16 saw occupancy rates averaging 81% of bed spaces. A contributory factor for the high level of take up is the tough housing landscape, with a dearth of affordable accommodation and a lack of landlords willing to take on tenants with benefits.

Despite the lack of housing options, the final percentage of guests moving onto positive housing outcomes was 47%.

Twelve weeks is an extremely short time frame in which to work with these vulnerable people, that it takes to source suitable housing for an individual.

Folkestone Rainbow Centre

Trustees' Report

Pre-school (report from the Pre-School Manager)

January - Terms 3 & 4 saw us with 30 families on our books at Canterbury Road setting, consisting of 10 girls and 20 boys. Numbers at the Ark pre-school are standing between 8 to 10 children each session meaning we are running at less than 50% capacity.

February - The Ark pre-school has been visited by OfSTED and received a "GOOD" grade. We are very pleased with this result. Numbers are very low at the Ark pre-school (12) while numbers remain steady at Canterbury Road pre-school. Discussions are beginning to look at the Ark pre-school in regard to its structure, costs and sustainability.

March - The children at both pre-schools have created a wall mural depicting the Easter story of Jesus arriving on a donkey, with palms and crowds. The children learnt about Zacchaeus up in the tree and the last supper. We gave the children hot cross buns and blackcurrant while explaining about communion I have at church each week. The children also enjoyed an Easter egg hunt in the garden.

April - Having sent out questionnaires to parents earlier in the year testing the water to see if there would be a demand for longer pre-school sessions at the Canterbury Road setting and in response to them, after the Easter holidays we are now open all day, 9am - 3pm on a Monday and Friday. This is in preparation of possibly opening full time in 2017 ready for the Governments proposed 30 hours a week free child care for working families.

May - After the Easter holidays the decision was made to close the "Ark" pre-school at the end of the summer term in July. This was a very hard decision but unfortunately with numbers remaining low and with logistics at the primary school challenging the routine of the pre-school, our options were very limited.

June - The summer events are being planned, sports day, summer trip and leavers service all times two. At least the weather is much better and we can get out to play in the garden/playground.

July - 12 children are leaving pre-school to start their primary school education in September, this is a time of mixed emotions having had these children for nearly 3 years and saying goodbye to the families, but we have had a wonderful time at the events. Of the 12 children at the Ark, 4 are off to school and 6 of the remaining 8 children are signed up to start at the Canterbury Road setting in September.

September and October - We have started the New Year with 24 children at our pre-school offering two afternoons a week. As we settle in, parents have been swapping days to suit their work/home needs.

November - Always the start to very busy time of the year, the weather affects our routine with regard to garden play and we are at present gathering quotes for a garden refurbishment, being paid for, we hope, by the KCC small project fund.

December - Love this time of year it is a very blessed time with the Christmas story and Nativity plays everywhere. I am having problems gathering garden quotes, but still trying. The government funding of 30 hours per week for working families in September 2017 is gathering pace with consultations and seminars being held across the district. Some of our families will qualify for these longer hours, it is important the setting is ready to incorporate these changes if we are to survive. I have received some very nice letters from parents I am hoping to share these, some pictures and recordings with you at the annual meeting.

Family Contact

2016 was another successful year for Contact. Thanks to our 6 dedicated volunteers who gave up their time, and provided happy friendly safe environment for all our families. During 2016 we were able to provide support for 19 families, and most have now gone on to have unsupported contact. In the future we hope to expand our service to provide support for many more families.

Folkestone Rainbow Centre

Trustees' Report

Here are a few comments we have received...

"Volunteers are lovely people very kind and patient. It's a great place to help us in difficult times." Miss B

"Felt very welcome and children had a fantastic time. Without this place I would have been unable to see my kids again can't thank you enough." Mr M

"Staff are lovely, supportive and reassuring in this difficult situation." Anon

FINANCIAL REVIEW

Reserves Policy

It has been the policy of the charity to keep an unrestricted reserve equivalent to at least three months running costs and to aim for six months. This has been difficult due to the variable size and nature of the sources of funding and the number of restricted funds.

As at 31 December 2016 cash at bank and in hand was £198,977, of which £98,787 related to restricted funds. After allowing for liabilities of £21,805 the remaining balance stands at £78,385 which represents two and a half months of total monthly expenditure and around nine and a half months of unrestricted expenditure.

A mortgage exists for the purchase of Cornerstone (formerly Barton House) and the outstanding balance is £105,003. The mortgage is a repayment loan and interest is charged a 2% above Lloyds Bank's base rate.

The Pre-School fund is reviewed at the end of each academic year, 31 August, and should there be a deficit it will be met from unrestricted funds. There may be instances where the fund is in deficit at the balance sheet date; these will be carried forward into the next financial year.

As at 31 December 2016 no funds were in deficit.

TRUSTEE APPOINTMENTS

The previous chair of trustees, Rupert Bristow resigned for health reasons in the course of 2016 and subsequently died. He had made an outstanding contribution to the work of the charity over a number of years. I was appointed in December following a search exercise overseen by three members of the Board to find a successor.

The responsibility for making appointments to the Board rests with the trustees. It has been the long standing practice that one place should be occupied by the chair of Churches Together in Folkestone and the new chair, the Reverend Sarah Webber, joined the board during the year in place of her predecessor Reverend Dave Barker. In addition Dr Peter Le Feuvre and Dr Jeremy Russell were appointed by the trustees to fill vacancies on the Board.

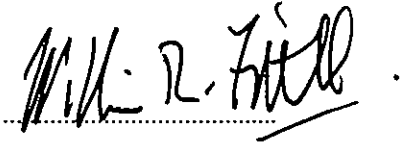
FUTURE DEVELOPMENTS

A combination of solid delivery in uncertain times, the appointment of new trustees and a welcome grant from the Cabinet Office Local Sustainability Fund has given trustees confidence about future provision and how to manage change. Plans to update and clarify the relationship between the Rainbow Centre and the Rainbow Shop will be finalised, so that we can maximize the opportunities for charitable giving to the Centre. Forging even better relationships with the churches in Shepway, many of whom have new leadership, will also be a priority, together with enhanced identification, support and deployment of our volunteers, who remain at the heart of our operation.

Approved by the Board and signed on its behalf by:

Folkestone Rainbow Centre

Trustees' Report

A handwritten signature in black ink, appearing to read 'W. R. Fittall', written over a dotted horizontal line.

Sir W R Fittall

Chair of Trustees

Date 5 September 2017

Folkestone Rainbow Centre

Statement of Trustees' Responsibilities

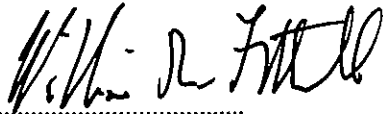
The trustees (who are also the directors of Folkestone Rainbow Centre for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and 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 5 Sept. 2017 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 on the accounts of the charity for the year ended 31 December 2016 which are set out on pages 11 to 26.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

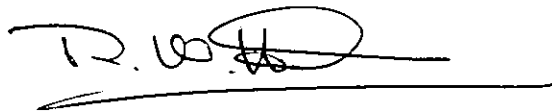
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



.....
Mr Roy Adams FCA
Beresfords
Chartered Accountants
Castle House
Castle Hill Avenue
Folkestone
Kent
CT20 2TQ

Date: 5.9.2017

Folkestone Rainbow Centre

**Statement of Financial Activities for the Year Ended 31 December 2016
(Including Income and Expenditure Account and Statement of Total Recognised Gains
and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £
Income and Endowments from:				
Donations and legacies	3	96,891	62,679	159,570
Charitable activities	4	-	192,958	192,958
Other trading activities	5	13,958	6,999	20,957
Investment income	6	18,850	22	18,872
Total Income		<u>129,699</u>	<u>262,658</u>	<u>392,357</u>
Expenditure on:				
Charitable activities	7	<u>(98,131)</u>	<u>(265,272)</u>	<u>(363,403)</u>
Total Expenditure		<u>(98,131)</u>	<u>(265,272)</u>	<u>(363,403)</u>
Net income/(expenditure)		31,568	(2,614)	28,954
Transfers between funds		<u>18,524</u>	<u>(18,524)</u>	-
Net movement in funds		50,092	(21,138)	28,954
Total funds brought forward		<u>305,409</u>	<u>140,805</u>	<u>446,214</u>
Total funds carried forward	18	<u>355,501</u>	<u>119,667</u>	<u>475,168</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2015 £
Income and Endowments from:				
Donations and legacies	3	111,203	71,352	182,555
Charitable activities	4	-	162,513	162,513
Other trading activities	5	17,833	9,708	27,541
Investment income	6	20,508	23	20,531
Total Income		<u>149,544</u>	<u>243,596</u>	<u>393,140</u>
Expenditure on:				
Charitable activities	7	<u>(128,366)</u>	<u>(187,718)</u>	<u>(316,084)</u>
Total Expenditure		<u>(128,366)</u>	<u>(187,718)</u>	<u>(316,084)</u>
Net income		21,178	55,878	77,056
Transfers between funds		<u>(1,008)</u>	<u>1,008</u>	-
Net movement in funds		20,170	56,886	77,056
Total funds brought forward		<u>285,238</u>	<u>83,919</u>	<u>369,157</u>
Total funds carried forward	18	<u>305,408</u>	<u>140,805</u>	<u>446,213</u>

All of the charity's activities derive from continuing operations during the above two periods.

Folkestone Rainbow Centre

(Registration number: 04318070)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	14	384,100	372,951
Current assets			
Debtors	15	14,014	10,789
Cash at bank and in hand		<u>198,976</u>	<u>207,257</u>
		212,990	218,046
Creditors: Amounts falling due within one year	16	<u>(28,019)</u>	<u>(39,739)</u>
Net current assets		<u>184,971</u>	<u>178,307</u>
Total assets less current liabilities		569,071	551,258
Creditors: Amounts falling due after more than one year	17	<u>(93,903)</u>	<u>(105,045)</u>
Net assets		<u>475,168</u>	<u>446,213</u>
Funds of the charity:			
Restricted funds		119,667	140,805
Unrestricted income funds			
Unrestricted funds		<u>355,501</u>	<u>305,408</u>
Total funds	18	<u>475,168</u>	<u>446,213</u>

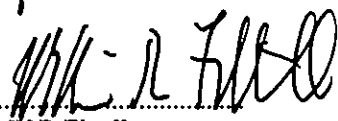
For the financial year ending 31 December 2016 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 11 to 26 were approved by the trustees, and authorised for issue on 5 Sept 2017 and signed on their behalf by:



 Sir W R Fittall
 Trustee

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

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.

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) 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.

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.

Transition to FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

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 2016

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 2016

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.

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.

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.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

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.

3 Income from donations and legacies

	Unrestricted funds		Total 2016	Total 2015
	General £	Restricted funds £	£	£
Donations and legacies;				
Appeals and donations	65,275	42,817	108,092	144,158
Gift aid tax reclaimed	4,291	2,440	6,731	9,285
The Op Shop Limited donations	22,000	-	22,000	15,000
Winter Shelter donations	-	17,422	17,422	13,992
Grants, including capital grants;				
Grants receivable	2,840	-	2,840	-
Other income	2,485	-	2,485	120
	<u>96,891</u>	<u>62,679</u>	<u>159,570</u>	<u>182,555</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

4 Income from charitable activities

	Restricted funds £	Total 2016 £	Total 2015 £
FoodStop	4,755	4,755	5,520
Pre-School Canterbury Road	67,513	67,513	67,945
Folkestone Churches Winter Shelter	45,990	45,990	46,194
Pre-School Ark	28,192	28,192	42,854
LSF Project	46,508	46,508	-
	192,958	192,958	162,513

5 Income from other trading activities

	Unrestricted funds General £	Restricted funds £	Total 2016 £	Total 2015 £
Events income;				
Fundraising events	13,958	6,999	20,957	27,541
	13,958	6,999	20,957	27,541

6 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2016 £	Total 2015 £
Interest receivable and similar income;				
Interest receivable on bank deposits	20	22	42	43
Income from rents	18,830	-	18,830	20,488
	18,850	22	18,872	20,531

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

7 Expenditure on charitable activities

		Unrestricted funds			
	Note	General £	Restricted funds £	Total 2016 £	Total 2015 £
General		3,084	-	3,084	3,838
FoodStop		-	4,532	4,532	4,828
Pre-School Canterbury Road		-	65,749	65,749	52,700
Folkestone Churches Winter Shelter		-	59,657	59,657	43,911
Pre-School Ark		-	28,173	28,173	35,829
Contact		2,180	-	2,180	2,237
Food Bank		-	4,843	4,843	6,441
Migrant Crisis Support		-	32,472	32,472	15,850
LSF Project		-	30,980	30,980	-
Allocated support costs	8	87,116	38,866	125,982	145,845
Governance costs	8	5,751	-	5,751	4,605
		<u>98,131</u>	<u>265,272</u>	<u>363,403</u>	<u>316,084</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Other support costs £	Total 2016 £	Total 2015 £
General	22,940	22,940	39,560
FoodStop	585	585	195
Pre-School Canterbury Road	5,215	5,215	5,822
Folkestone Churches Winter Shelter	16,518	16,518	25
Pre-School Ark	3,016	3,016	5,864
Homeless Support Service	64,420	64,420	91,813
Contact	1,250	1,250	1,250
Food Bank	1,459	1,459	1,316
Migrant Crisis Support	5,833	5,833	-
LSF Project	4,746	4,746	-
	<u>125,982</u>	<u>125,982</u>	<u>145,845</u>

Governance costs

	Unrestricted funds General £	Total 2016 £	Total 2015 £
Independent examiner fees			
Examination of the financial statements	2,100	2,100	2,100
Other governance costs	<u>3,651</u>	<u>3,651</u>	<u>2,505</u>
	<u>5,751</u>	<u>5,751</u>	<u>4,605</u>

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2016 £	2015 £
Loss on disposal of fixed assets held for the charity's own use	585	-
Depreciation of fixed assets	<u>16,592</u>	<u>11,533</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, 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.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

11 Staff costs

The aggregate payroll costs were as follows:

	2016	2015
	£	£
Staff costs during the year were:		
Wages and salaries	186,269	189,052
Social security costs	11,382	9,317
	197,651	198,369

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

	2016	2015
	No	No
Pre-School Canterbury Road	7	6
Pre-School Ark	3	5
Administrative	5	4
Winter Shelter	2	2
Migrant Crisis Support	1	1
LSF Project	1	-
	19	18

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

12 Independent examiner's remuneration

	2016	2015
	£	£
Examination of the financial statements	2,100	2,100
	2,100	2,100

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

13 Taxation

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

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2016	374,604	55,479	7,785	437,868
Additions	-	4,365	23,961	28,326
Disposals	-	-	(7,785)	(7,785)
At 31 December 2016	<u>374,604</u>	<u>59,844</u>	<u>23,961</u>	<u>458,409</u>
Depreciation				
At 1 January 2016	24,168	33,549	7,200	64,917
Charge for the year	4,028	6,574	5,990	16,592
Eliminated on disposals	-	-	(7,200)	(7,200)
At 31 December 2016	<u>28,196</u>	<u>40,123</u>	<u>5,990</u>	<u>74,309</u>
Net book value				
At 31 December 2016	<u>346,408</u>	<u>19,721</u>	<u>17,971</u>	<u>384,100</u>
At 31 December 2015	<u>350,436</u>	<u>21,930</u>	<u>585</u>	<u>372,951</u>

Included within the net book value of land and buildings above is £Nil (2015 - £Nil) in respect of freehold land and buildings and £346,408 (2015 - £350,436) in respect of leaseholds.

15 Debtors

	2016 £	2015 £
Trade debtors	4,000	2,562
Prepayments	6,925	6,086
Other debtors	3,089	2,141
	<u>14,014</u>	<u>10,789</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

16 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans	11,100	10,800
Trade creditors	4,964	6,918
Other taxation and social security	4,797	3,849
Other creditors	2,729	3,682
Accruals	4,429	14,490
	28,019	39,739

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

	2016 £	2015 £
Bank loans	11,100	10,800

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

17 Creditors: amounts falling due after one year

	2016 £	2015 £
Bank loans	93,903	105,045

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

	2016 £	2015 £
Bank loans	93,903	105,045

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

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

	2016 £	2015 £
After more than five years by instalments	46,803	59,345

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

18 Funds

	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2016 £
Unrestricted funds						
General	305,409	129,699	(98,131)	18,524	-	355,501
Restricted Funds						
FoodStop	12,421	5,218	(4,532)	-	(585)	12,522
Pre-School Canterbury Road	8,626	67,610	(70,964)	-	-	5,272
Folkestone Churches Winter Shelter	49,534	72,125	(76,175)	-	-	45,484
Pre-School Ark	2,852	28,213	(31,189)	124	-	-
Refurbishment of the Homeless Support Service Centre	2,430	-	(608)	-	-	1,822
Food Bank	5,558	8,132	(6,302)	-	-	7,388
Migrant Crisis Support	42,045	30,000	(38,305)	-	-	33,740
Refurbishment of the Contact Centre	3,543	-	(886)	-	-	2,657
Vehicle Fund	13,796	4,852	-	(18,648)	-	-
LSF Project	-	46,508	(35,726)	-	-	10,782
Restricted funds	<u>140,805</u>	<u>262,658</u>	<u>(264,687)</u>	<u>(18,524)</u>	<u>(585)</u>	<u>119,667</u>
Total funds	<u>446,214</u>	<u>392,357</u>	<u>(362,818)</u>	<u>-</u>	<u>(585)</u>	<u>475,168</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

	Balance at 1 January 2015 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2015 £
Unrestricted funds					
General	285,238	149,544	(128,366)	(1,008)	305,408
Restricted Funds					
FoodStop	11,059	6,386	(5,023)	-	12,422
Pre-School Canterbury Road	(861)	68,009	(58,522)	-	8,626
Folkestone Churches Winter Shelter	22,840	70,630	(43,936)	-	49,534
Pre-School Ark	1,691	42,854	(41,693)	-	2,852
Refurbishment of the Homeless Support Service Centre	3,240	-	(810)	-	2,430
Food Bank	4,949	8,366	(7,757)	-	5,558
Migrant Crisis Support	27,894	30,000	(15,850)	-	42,044
Refurbishment of the Contact Centre	13,107	3,555	(14,127)	1,008	3,543
Vehicle Fund	-	13,796	-	-	13,796
Restricted funds	83,919	243,596	(187,718)	1,008	140,805
Total funds	369,157	393,140	(316,084)	-	446,213

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

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 the Pre-Schools.

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

The Pre-School Canterbury Road fund is used to run a pre-school playgroup. The fund balance is reviewed at the end of each academic year. At 31 August 2016 the fund showed a surplus of £7,287 this has been carried forward to the new academic year.

The Pre-School Ark fund was used to run a pre-school playgroup. The Pre-School Ark was closed at the end of the 2016 academic year. At the date of closure the fund showed a deficit of £124, which has been transferred from the general fund.

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 fund to refurbish the Homeless Support Service centre has been fully spent. The balance carried forward represents the fixed assets acquired.

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

The Migrant Crisis Support fund is used to run a Migrant Crisis Support project. During the year income of £30,000 was received from grants.

The fund to refurbish the Contact centre has been fully spent. The balance carried forward represents the fixed assets acquired.

A restricted fund was set up last year to raise money for the purchase of new motor vehicles. Income was received from donations and grants. A total amount of £18,648 was raised. The charity then purchased two vehicles at a cost of £23,961. The general fund provided the shortfall of £5,313. The vehicles have now been transferred from the restricted fund to the general fund for use by the charity on an unrestricted basis for general charitable activities.

During the year a restricted fund was set up to fund a Local Sustainability Fund project. Income is derived from grants.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2016

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	373,768	10,332	384,100
Current assets	97,439	115,551	212,990
Current liabilities	(21,805)	(6,214)	(28,019)
Creditors over 1 year	(93,903)	-	(93,903)
Total net assets	<u>355,499</u>	<u>119,669</u>	<u>475,168</u>

20 Related party transactions

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

The Op Shop Limited

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

During the financial year under review the charity received £22,000 (2015 - £15,000) of donations from The Op Shop Limited. At the balance sheet date the amount due to/from The Op Shop Limited was £Nil (2015 - £Nil).

21 Transition to FRS 102

These financial statements for the year ended 31 December 2016 are the first financial statements that comply with FRS 102 section 1A small entities. The company's date of transition was 1 January 2015 and the last financial statements produced under FRSSE (effective April 2008) were for the year ended 31 December 2015.

The transition to FRS102 section 1A small entities from FRSSE (effective April 2008) has not resulted in any significant change in the company's accounting policies but has increased the disclosures.