

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 2017

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	Miss D Douse Mr A P Risley-Settle (resigned 30 September 2017) Mrs B M Wight (resigned 11 July 2017) Mrs W P Davies (resigned 27 March 2017) Dr T J Cooke-Davies Dr P Le Feuvre Dr J Russell Reverend S Webber Sir W R Fittall Mr N J Buckley (appointed 1 October 2017) Mr P C Edwards (appointed 1 October 2017) Mrs E J Pettersen (appointed 1 October 2017)
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 strategic report together with the financial statements of the charitable company for the year ended 31 December 2017.

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 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 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 Shepway 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

The strategic aim of the Centre is that 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 through the delivery of a wider range of services by a larger and better resourced team of volunteers and staff, supported by an increased local profile and stronger links with churches.

Folkestone Rainbow Centre

Trustees' Report

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

Alongside the usual wide range of service delivery this financial year was characterised by a particular focus on planning following the receipt of a large grant from the Cabinet Office to develop the sustainability of the organisation. It was also marked by the departure of two key members of staff. In June, Development Manager Richard Bellamy moved onto another post, and in October Jon Wilson announced his intention to step down as CEO in March 2018.

The Local Sustainability Fund (LSF) was utilised to strengthen key areas of the organisation and this has been detailed below in the updates from each area of service provision. In addition to the enhancement of front line services, the grant also allowed the organisation to develop several strategies in the key areas of marketing, fundraising and business planning.

The Rainbow Centre continues to operate in an environment which is challenging for our client base, with several statutory agencies demonstrating a more robust stance towards the eligibility of clients to access non private accommodation. This has placed significant demands on the front line services, who are required to do more with finite resources. Staff have reported a higher level of clients presenting with complex needs, which necessitates a more intense approach to service provision.

LSF funding has resulted in the production of a new suite of marketing materials with consistent branding across all services and correspondence devices. The grant also allowed the commissioning of several strategy documents, including a marketing plan and a fundraising strategy. By using the services of an external grants fundraiser, we were successful in securing a large revenue grant from Henry Smith Foundation which has been used to part fund two new positions: Development Manager, and Database and Volunteer Coordinator, strengthening the administrative and sustainability functions of the Centre. A new Client Relationship Database to improve donor management was also purchased to allow a more comprehensive understanding of our donor base to better attract funding and support.

Shepway Foodbank

The Shepway Food Bank has had another busy year, with the number of clients increasing by 10% as compared with the previous year. A total of 1702 people were provided three days of food, and of this figure, 826 were adults and 876 were children.

Although the service continued to see people who have difficulties with benefit changes and delays, there were a growing number of families on low incomes who were unable to manage and faced the stark choice of paying rent to keep a roof over their head or of having enough money for food.

In addition to the two distribution centres in Folkestone and New Romney, an additional emergency food site was established in Lydd thanks to the support of Rev. Christopher Maclean at All Saints Church in the town. This is a particularly isolated area on the Romney Marsh and to have this emergency provision is a great addition to the service.

The increase in clients of course meant an increase in the amount of food and toiletries which are needed. The Rainbow Centre was particularly grateful to the numerous agencies and member of the general public who gave so generously throughout the year.

Folkestone Rainbow Centre

Trustees' Report

FoodStop

FoodStop is a volunteer led mobile soup kitchen service, going out three nights a week throughout the year. The simplicity of the working model belies its importance as front line service. Many of the FoodStop clients find engagement with support agencies difficult, so the FoodStop volunteers are often the first point of contact for this “hard to reach” group, and can therefore build up a level of trust which could be challenging in a more formal environment. Towards the end of the year we said goodbye to Debbie Fletcher, the volunteer who had coordinated the service for nearly twenty years. She made an outstanding contribution to the work and we wish her and her husband well as they settle in a new part of the country.

Food comes from the 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 runs the annual Christmas dinner on Boxing Day.

Homeless Support Service and Rainbow Club

The Homeless Support Service continues to run at high demand with 491 people accessing the service in 2017.

As of 31st December 2017, 242 individuals had presented to the service as homeless, 118 as vulnerably housed or at risk of eviction, and 131 for an early intervention to prevent homelessness. Of the 491 people requesting support, 280 of those were accessing the Homeless Support Service for the first time.

The needs of the clients presenting to the service are increasingly complex, with mental health issues being present in many of the clients, along with drug and alcohol addictions. 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, to best serve the clients, but also to safeguard the staff team themselves.

This year saw the three year funding for the Migrant Support Worker finish, and the funder, Shepway District Council have indicated that they will not be resuming funding for that service in the short term. The post holder was able to transfer in the Homeless Support Service as a Project Worker strengthening the team with her extensive language skills.

Partnership working is key to the successful support of our clients, and we refer into many partner agencies such as Porchlight, Sanctuary Supported Living, TNA solicitors as well as liaising closely with the NHS, Probation Service, Kent Police and Shepway District Council.

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 750 emergency food bags, provided by Shepway Food Bank, were issued to 256 clients 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. Over 2,500 hours were provided last year by 19 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 Rainbow Centre

Trustees' Report

Folkestone Churches Winter Shelter (FCWS)

The Folkestone Churches' Winter Shelter, one of the Rainbow Centre's largest projects, ran from December 2016 through to February 2017. This marked the eight consecutive year of operation. Five project staff were employed during the project, but the success of the project is dependent on the large volunteer team who mobilise each year. Over the 3 month period of the Shelter, 7 churches in Folkestone host for one evening a week, assisted by over 170 volunteers, providing food and a bed for up to 13 guests per evening.

This season saw occupancy rates at the highest ever with an average of 90% of bed spaces being utilised. A contributory factor for this was 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 permanent accommodation was 33%, which is comparable with previous years.

Twelve weeks is a tight time frame in which to work with these vulnerable people. The average time spent in the Shelter was 45 nights, and it was calculated that it took around 57 days in order to source suitable housing for an individual. The implication of this was that if an individual accessed the Shelter after the 5th week, it was significantly more challenging to find a positive outcome for them.

The 2017/18 winter shelter began in December 2017. A report on that will be included in the 2018 annual report.

Rainbow Pre-school

The Pre-school based in the Salvation Army building in Canterbury Road continued to provide a high standard of early years learning and the beginning of 2017 saw a total number of twenty two children registered. Trish Simmons, the Pre-school manager and her team have built up a strong reputation for working with children with learning difficulties, and this year several children who attended the setting required additional support.

Special thanks should go to Folkestone Rotary group and the Kent Fire and Rescue Service who provided funding to develop an outside learning area. In May, the Pre-school garden project began with clearing the overgrown bushes and weeds assisted by one of the Pre-school parents. Work also started on two raised beds to allow the children to grow, pick, and eat their own fruit and vegetables, activities which will add intrinsic value to the curriculum.

Volunteers continue to be central to the work of the Pre-school and in September, one volunteer took on a staff role, to cover maternity leave and began training as an Early Years Practitioner. The volunteers bring a wealth of knowledge and experience, and the extra capacity which they provide is invaluable in helping develop of the children's understanding, confidence and learning.

The numbers of registrations fell significantly in July with fourteen of the children moving on to take up primary school places, highlighting the need to publicise the Pre-School more widely.

Family Contact

2017 was another successful year for the Contact service, which operates on alternative Saturdays from their base at the Rainbow Centre. Once again, special thanks go to the team of 5 dedicated volunteers who gave up their time, and provide happy friendly safe environment for all our families. Sadly the service said farewell to a long term volunteer Wendy Homewood and the team thank her for all her support over the years.

Folkestone Rainbow Centre

Trustees' Report

Contact is a vital service for those families who are separated and the feedback which is received is consistently good:

“Staff are always helpful and very welcoming” Mrs C

“Thank you for providing a safe and positive environment for my children to see their family.” Mr S

“A light and airy setting. Thank you.” Mr D

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 2017 cash at bank and in hand was £209,236, of which £90,945 related to restricted funds. After allowing for liabilities of £22,578 the remaining balance stands at £95,713 which represents about three months of total monthly expenditure and around seven months expenditure from unrestricted funds.

A mortgage exists for the purchase of Cornerstone (formerly Barton House) and the outstanding balance is £93,803. 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 2017 no funds were in deficit.

TRUSTEE APPOINTMENTS

The responsibility for making appointments to the Board rests with the trustees. It has been the longstanding practice that one place should be occupied by the chair of Churches Together in Folkestone and the chair of CTF, the Reverend Sarah Webber, continued as a member of the Rainbow Centre board during 2017. In addition, following the departure of three long serving members who had served the Centre with distinction over many years- Wendy Davies, Alan Risley-Settle and Bridget Wight (a former chair) three new trustees were appointed- Peter Edwards, Elizabeth Pettersen and Nick Buckley. Each brings significant skills and experience to the governing body.

FUTURE DEVELOPMENTS

The Cabinet Office Local Sustainability Fund has given the Rainbow Centre the opportunity to make significant investments in its staff structures and methods of delivery. Effective change management has been key throughout this process and over the forthcoming twelve months, we expect a period of consolidation to embed the changes and stabilise the organisation.

The work begun in 2017 with volunteer development will be concluded in the summer of 2018, and it is hoped that the organisation will achieve the Investment in Volunteers accreditation, the UK quality standard for good practice in volunteer management.

It is expected that the investment made in the CRM database will begin to reap benefits as a better understanding of the Centre's donor base is developed with the result that a more focussed and structured strategy of raising funds can be applied, maximising the potential of future giving.

Folkestone Rainbow Centre

Trustees' Report

And, perhaps, most significantly, 2018 marks the transition from Jon Wilson to Ali Chambers as our Chief Executive. The charity is in immeasurably better shape now than when Jon took over seven years ago and the trustees are enormously grateful to him for his faithful, imaginative and conscientious Christian service. Ali Chambers, who had worked for the charity since October 2016, first as winter shelter manager and then development manager, was appointed in January 2018 following an open competition. She succeeded Jon at his departure at Easter and we look forward with confidence to being able to give an account in next year's annual report of a successful transition.

Approved by the Board and signed on its behalf by:



.....

Sir W R Fittall

Chair of Trustees

Date.....12/7/18.....

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 10 July and signed on its behalf by:


.....
Sir W R Fittall
Trustee

Folkestone Rainbow Centre

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

I report on the accounts of the charity for the year ended 31 December 2017 which are set out on pages 10 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

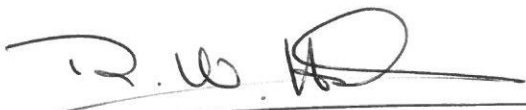
In connection with my examination, no matter has come to my attention:

(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: 10/17/2018

Folkestone Rainbow Centre

Statement of Financial Activities for the Year Ended 31 December 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Donations and legacies	3	138,914	25,695	164,609
Charitable activities	4	-	173,296	173,296
Other trading activities	5	23,639	862	24,501
Investment income	6	20,485	12	20,497
Total Income		183,038	199,865	382,903
Expenditure on:				
Charitable activities	7	(157,007)	(230,148)	(387,155)
Total Expenditure		(157,007)	(230,148)	(387,155)
Net income/(expenditure)		26,031	(30,283)	(4,252)
Net movement in funds		26,031	(30,283)	(4,252)
Total funds brought forward		355,500	119,668	475,168
Total funds carried forward	19	381,531	89,385	470,916
	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		129,699	262,658	392,357
Expenditure on:				
Charitable activities	7	(98,131)	(265,272)	(363,403)
Total Expenditure		(98,131)	(265,272)	(363,403)
Net income/(expenditure)		31,568	(2,614)	28,954
Transfers between funds		18,524	(18,524)	-
Net movement in funds		50,092	(21,138)	28,954
Total funds brought forward		305,409	140,805	446,214
Total funds carried forward	19	355,501	119,667	475,168

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 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	373,273	384,100
Investments	15	<u>1</u>	<u>-</u>
		<u>373,274</u>	<u>384,100</u>
Current assets			
Debtors	16	7,738	14,014
Cash at bank and in hand		<u>209,236</u>	<u>198,976</u>
		216,974	212,990
Creditors: Amounts falling due within one year	17	<u>(37,029)</u>	<u>(28,019)</u>
Net current assets		<u>179,945</u>	<u>184,971</u>
Total assets less current liabilities		553,219	569,071
Creditors: Amounts falling due after more than one year	18	<u>(82,303)</u>	<u>(93,903)</u>
Net assets		<u><u>470,916</u></u>	<u><u>475,168</u></u>
Funds of the charity:			
Restricted funds		89,385	119,667
Unrestricted income funds			
Unrestricted funds		<u>381,531</u>	<u>355,501</u>
Total funds	19	<u><u>470,916</u></u>	<u><u>475,168</u></u>

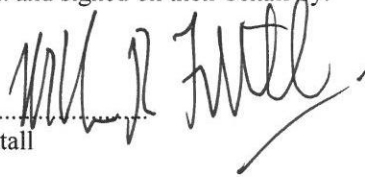
For the financial year ending 31 December 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 12 July 2018, 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 2017

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.

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.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

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.

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.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

Depreciation and amortisation

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

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

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the charity. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Fixed asset investments

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

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

Trade debtors

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

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

Cash and cash equivalents

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

Trade creditors

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

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

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

Borrowings

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

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

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

Fund structure

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

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

Financial instruments

Recognition and measurement

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

Investments

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

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

3 Income from donations and legacies

	Unrestricted funds			
	General £	Restricted funds £	Total 2017 £	Total 2016 £
Donations and legacies;				
Appeals and donations	66,790	5,300	72,090	108,092
Gift aid tax reclaimed	3,572	1,471	5,043	6,731
The Op Shop Limited donations	26,225	-	26,225	22,000
Winter Shelter donations	-	18,924	18,924	17,422
Grants, including capital grants;				
Grants receivable	42,160	-	42,160	2,840
Other income	167	-	167	2,485
	<u>138,914</u>	<u>25,695</u>	<u>164,609</u>	<u>159,570</u>

4 Income from charitable activities

	Restricted funds £	Total 2017 £	Total 2016 £
FoodStop	4,899	4,899	4,755
Pre-School Canterbury Road	75,519	75,519	67,513
Folkestone Churches Winter Shelter	35,250	35,250	45,990
Pre-School Ark	-	-	28,192
Food Bank	1,300	1,300	-
LSF Project	46,508	46,508	46,508
Awards for All - Volunteer Funding	9,820	9,820	-
	<u>173,296</u>	<u>173,296</u>	<u>192,958</u>

5 Income from other trading activities

	Unrestricted funds			
	General £	Restricted funds £	Total 2017 £	Total 2016 £
Events income;				
Fundraising events	23,639	862	24,501	20,957
	<u>23,639</u>	<u>862</u>	<u>24,501</u>	<u>20,957</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

6 Investment income

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	General			
	£	£	£	£
Interest receivable and similar income;				
Interest receivable on bank deposits	23	12	35	42
Income from rents	20,462	-	20,462	18,830
	<u>20,485</u>	<u>12</u>	<u>20,497</u>	<u>18,872</u>

7 Expenditure on charitable activities

		Unrestricted funds	Restricted funds	Total 2017	Total 2016
	Note	General			
		£	£	£	£
General		2,845	-	2,845	7,147
FoodStop		-	4,474	4,474	4,532
Pre-School Canterbury Road		-	71,012	71,012	65,749
Folkestone Churches Winter Shelter		-	39,013	39,013	59,657
Pre-School Ark		-	-	-	28,173
Contact		3,414	-	3,414	2,180
Food Bank		-	4,687	4,687	4,843
Migrant Crisis Support		-	29,123	29,123	32,472
LSF Project		-	48,815	48,815	26,917
Awards for All - Volunteer Funding		-	88	88	-
Allocated support costs	8	145,830	31,161	176,991	125,982
Governance costs	8	4,918	1,775	6,693	5,751
		<u>157,007</u>	<u>230,148</u>	<u>387,155</u>	<u>363,403</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

8 Analysis of governance and support costs

Support costs allocated to charitable activities

	Other support costs £	Total 2017 £	Total 2016 £
General	80,839	80,839	22,940
FoodStop	875	875	585
Pre-School Canterbury Road	6,736	6,736	5,215
Folkestone Churches Winter Shelter	7,489	7,489	16,518
Pre-School Ark	-	-	3,016
Homeless Support Service	64,861	64,861	64,420
Contact	1,250	1,250	1,250
Food Bank	1,095	1,095	1,459
Migrant Crisis Support	2,500	2,500	5,833
LSF Project	7,376	7,376	4,746
Awards for All - Volunteer Funding	3,970	3,970	-
	<u>176,991</u>	<u>176,991</u>	<u>125,982</u>

Governance costs

	Unrestricted funds General £	Restricted funds £	Total 2017 £	Total 2016 £
Independent examiner fees				
Examination of the financial statements	2,340	-	2,340	2,100
Other governance costs	<u>2,578</u>	<u>1,775</u>	<u>4,353</u>	<u>3,651</u>
	<u>4,918</u>	<u>1,775</u>	<u>6,693</u>	<u>5,751</u>

9 Net incoming/outgoing resources

Net (incoming)/outgoing resources for the year include:

	2017 £	2016 £
Loss on disposal of fixed assets held for the charity's own use	-	585
Depreciation of fixed assets	<u>14,326</u>	<u>16,592</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 2017

11 Staff costs

The aggregate payroll costs were as follows:

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	215,330	220,195
Social security costs	12,513	11,382
Pension costs	1,221	-
	<u>229,064</u>	<u>231,577</u>

In the 2016 published accounts the wages and salaries figure of £220,195 was incorrectly stated as £186,269 and the total of £231,577 was stated as £197,651.

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

	2017 No	2016 No
Pre-School Canterbury Road	5	7
Pre-School Ark	-	3
Administrative	4	5
Winter Shelter	2	2
Migrant Crisis Support	1	1
LSF Project	1	1
	<u>13</u>	<u>19</u>

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

12 Independent examiner's remuneration

	2017 £	2016 £
Examination of the financial statements	<u>2,340</u>	<u>2,100</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

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 2017	374,604	59,843	23,961	458,408
Additions	-	-	3,500	3,500
At 31 December 2017	<u>374,604</u>	<u>59,843</u>	<u>27,461</u>	<u>461,908</u>
Depreciation				
At 1 January 2017	28,196	40,123	5,990	74,309
Charge for the year	<u>4,028</u>	<u>4,930</u>	<u>5,368</u>	<u>14,326</u>
At 31 December 2017	<u>32,224</u>	<u>45,053</u>	<u>11,358</u>	<u>88,635</u>
Net book value				
At 31 December 2017	<u>342,380</u>	<u>14,790</u>	<u>16,103</u>	<u>373,273</u>
At 31 December 2016	<u>346,408</u>	<u>19,720</u>	<u>17,971</u>	<u>384,099</u>

Included within the net book value of land and buildings above is £Nil (2016 - £Nil) in respect of freehold land and buildings and £342,380 (2016 - £346,408) in respect of leaseholds.

15 Fixed asset investments

	2017
	£
Shares in group undertakings and participating interests	<u>1</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
Additions	1	1
At 31 December 2017	1	1
Net book value		
At 31 December 2017	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
Subsidiary undertakings				
FRC Commercial Enterprises Ltd	England and Wales	Ordinary	100%	Dormant

Subsidiaries

The profit for the financial period of FRC Commercial Enterprises Ltd was £Nil and the aggregate amount of capital and reserves at the end of the period was £1.

On the 1st January 2018 FRC Commercial Enterprises Ltd took over the trading operation of The Op Shop Limited.

16 Debtors

	2017 £	2016 £
Trade debtors	2,639	4,000
Prepayments	3,129	6,925
Other debtors	1,970	3,089
	7,738	14,014

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

17 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans	11,500	11,100
Trade creditors	2,738	4,964
Other taxation and social security	4,691	4,797
Other creditors	2,751	2,729
Accruals	15,349	4,429
	<u>37,029</u>	<u>28,019</u>

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

	2017 £	2016 £
Bank loans	<u>11,500</u>	<u>11,100</u>

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

18 Creditors: amounts falling due after one year

	2017 £	2016 £
Bank loans	<u>82,303</u>	<u>93,903</u>

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

	2017 £	2016 £
Bank loans	<u>82,303</u>	<u>93,903</u>

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

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

	2017 £	2016 £
After more than five years by instalments	<u>33,303</u>	<u>46,803</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

19 Funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
Unrestricted funds				
General	355,500	183,038	(157,007)	381,531
Restricted Funds				
FoodStop	12,523	5,402	(5,349)	12,576
Pre-School Canterbury Road	5,273	75,595	(78,498)	2,370
Folkestone Churches Winter Shelter	45,484	55,730	(46,502)	54,712
Refurbishment of the Homeless Support Service Centre	1,821	-	(456)	1,365
Food Bank	7,388	5,810	(5,782)	7,416
Migrant Crisis Support	33,740	1,000	(31,623)	3,117
Refurbishment of the Contact Centre	2,657	-	(664)	1,993
LSF Project	10,782	46,508	(57,216)	74
Awards for All - Volunteer Funding	-	9,820	(4,058)	5,762
Restricted funds	119,668	199,865	(230,148)	89,385
Total funds	475,168	382,903	(387,155)	470,916

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

	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	140,805	262,658	(264,687)	(18,524)	(585)	119,667
Total funds	446,214	392,357	(362,818)	-	(585)	475,168

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

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 2017 the fund showed a surplus of £6,982 this has been carried forward to the new academic year.

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 £1,000 was received from donations.

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

The LSF Project fund is used to run a Local Sustainability Fund project. Income is derived from grants. The LSF Project fund has been fully spent.

During the year a restricted fund was set up for Awards for All - Volunteer Funding. This fund is used for supporting our supporters programme (to achieve the NCVO Investing in Volunteers quality mark). Income is derived from grants.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2017

20 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	362,900	10,373	373,273
Fixed asset investments	1	-	1
Current assets	123,512	93,462	216,974
Current liabilities	(22,579)	(14,450)	(37,029)
Creditors over 1 year	(82,303)	-	(82,303)
Total net assets	<u>381,531</u>	<u>89,385</u>	<u>470,916</u>

21 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 £26,225 (2016 - £22,000) of donations from The Op Shop Limited. At the balance sheet date the amount due to/from The Op Shop Limited was £Nil (2016 - £Nil).