

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 2021

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

Folkestone Rainbow Centre

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Folkestone Rainbow Centre

Reference and Administrative Details

Trustees	Sir W R Fittall, Passed away on 10th March 2022 Mr N J Buckley Dr T J Cooke-Davies, resigned on 20th July 2021 Mrs J A Doherty, appointed 20th July 2021 Miss D Douse Mr P C Edwards Dr P Le Feuvre Mr P J Haines Mrs E J Pettersen Dr J Russell
Secretary	Mr S C Corner
Registered Office	Cornerstone 69 Sandgate Road Folkestone Kent CT20 2AF
Company Registration Number	04318070
Charity Registration Number	1096570
Independent Examiner	Beresfords Chartered Certified Accountants 1-2 Rhodium Point Spindle Close Hawkinge Folkestone Kent CT18 7TQ

Folkestone Rainbow Centre

Trustees' Report

Small company provisions

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

STRUCTURE, GOVERNMENT AND MANAGEMENT

The trustees, who are directors for the purposes of company law, present the annual strategic report together with the financial statements of the charitable company for the year ended 31 December 2021.

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

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

Risk Management

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

OBJECTIVES AND ACTIVITIES

Aims and Objectives

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

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

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

- Respect
- Compassion
- Excellence
- Collaboration
- Commitment

Folkestone Rainbow Centre

Trustees' Report

ACHIEVEMENT AND PERFORMANCE

Overview

2021 was another year of change. We entered the year in partial lockdown due to the ongoing pandemic, but our services adapted well to this new reality. The winter night shelter took the form of accommodation in a local Bed and Breakfast, with meals being delivered by volunteers. This was a change that was mirrored at a national level and a model that is likely to continue in the future. Our homeless support service continued to advise clients at a distance until it opened for face-to-face appointments in April. The bi-weekly Family Contact Centre opened its doors at the end of March. The Foodbank operated a delivery model both in Folkestone and on the Marsh, while the FoodStop service continued to run through the entire year, respecting the rules and laws in place at the time.

During this period of change and uncertainty, we lost our two key managers for the Homeless Support and the Foodbank Services. Still, we had the good fortune to find two experienced and committed managers to replace them. We also appointed a Volunteer Development Officer who manages the new Money Matters debt advice service.

Due to government grants and the extraordinary generosity of local organisations and people, we responded to the increasing numbers of people requesting our services, particularly the provision of emergency food supplies and homeless support services. The generosity took the form of the donation of money, time and food items. Several local businesses were particularly supportive. As a result, our reserves remain healthy, and the Trustees are exercised in deciding how we can best manage the result of such substantial local generosity.

With thanks to a local resident who left the Centre a substantial legacy after his death, we are now in a position to search for a property to house people experiencing homelessness. Judicious use of some of our reserves means we can search for a substantial property. Sadly, the Folkestone Methodist Church, the home of the Foodbank in Folkestone, closed its doors, and we have not yet been able to identify an alternative venue.

Throughout this period of change, our Chief Executive, Mary Stredwick has guided the organisation with wisdom, energy and compassion.

Sadly, our Chair, Sir William Fittall, passed away on 10 March 2022 after a short illness. His wisdom, tenacity and leadership of the charity over several years, especially during a pandemic, was exceptional. He was a remarkable man whom the staff and trustees will miss terribly.

Homeless Support Service and Rainbow Club

At the beginning of the year, two long-serving Homeless Support Service (HSS) staff resigned within a few months, leaving us to rely on volunteers, temporary staff and partner agencies to keep the service open while recruiting new staff. We are thankful for the dedication and commitment of our volunteers. As with every cloud, there is a silver lining; we seized the opportunity to review the HSS structure and brought the Winter Shelter under the management of the HSS manager. The new structure allows for increased capacity all year round and redeployment of staff to meet HSS and Winter Shelter needs.

In May, we recruited Louise Gotch, with broad experience in the homeless and social services sectors and two other staff one as a Homeless Support Officer and another as an Administrator. The HSS team and Centre staff rallied together after Easter when the Covid-19 restrictions eased to return to face-to-face appointments, reopening the Rainbow Club and shower services while maintaining the laundry and postal services. The Rainbow Club, which expanded during Winter Shelter, remains a safe space from which we plan to launch a befriending service.

Folkestone Rainbow Centre

Trustees' Report

The priority for the service was to consolidate and stabilise an optimal sustainable delivery model that uses triaging volunteers, FRC staff and other agencies effectively to meet rising needs and withstand unexpected short-term changes. The Manager put in place a plan for structured training and upskilling of staff and volunteers, supported by robust data collection using the Homeless Link Inform database and tapping into the government Kickstart programme that helps young people get back into work.

We saw a total of 540 clients walk-ins and telephone enquiries requesting housing advice and other support, including accessing shower, laundry and postal facilities services and the day club. Twenty per cent of these clients (108) went on to be on our caseload; 36 were homeless while 72 were vulnerably housed or at risk of eviction. We witnessed the effects of the pandemic on a significant rise in women presenting with domestic abuse and have forged positive partnerships with local domestic abuse charities, who continue to support clients. We helped many clients with complex needs, including mental health and substance abuse, and the trend is rising and also saw more and more couples vulnerably housed. We managed to move ten clients into rented accommodation, with four accepted as 'priority needs' by the Local Authority, who accommodated them.

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

Finding affordable housing stock in line with local authority housing benefit rates continues to be extremely difficult; landlords are refurbishing their properties, demanding higher rent or letting them out as Air BnB. Unfortunately, we see a rise in evictions due to loss in income and family break-ups. The increased cost of living and energy prices will further adversely impact many in our community.

Shepway Food Bank

In August, the Foodbank Manager who navigated the Foodbank service so well through the peak of Covid-19 left to pursue greener pastures; thankfully, we recruited Wendy Lehnert, a very able replacement with an ambition to grow new strands of work. However, the Foodbank is as strong as its volunteers, as shown during the interim recruitment and Christmas periods when service delivery ran smoothly, including bringing a large harvest.

To protect our clients and volunteers from the threat of the much more transmissible Omicron Covid-19 variant, we moved to a delivery service in January, which has continued throughout the year. We are grateful that volunteers adapted to the changes, and we, of course, missed the opportunity for conversation and signposting clients to other support agencies.

The client numbers remained higher than in previous years, but the demand levelled as the restrictions eased and people returned to work. In 2021, 37,655 kgs were given out to clients compared to 38,041 kgs of food in 2020. Some 3359 vouchers, of which 1325 (39%) went to families with children, compared to 2020 when we processed 3816 vouchers, of which 18% were for families with children. The number of children has more than doubled from the previous year, demonstrating the rising cost of living, among other issues, is having on families. At Christmas, we gave out approximately 150 bags to schools, the Winter Shelter and Food Stop.

We again saw a similar lever of donations as in 2020, receiving 37,445 kgs in 2021 from various sources, including churches, schools, supermarkets, individuals, local clubs and business donations, helping to maintain stock levels. The digital ways of donating, such as Spareable, are picking up in popularity with new ones based on real-time data introduced. Despite being yet another challenging year, our wonderful volunteers ensured smooth operations from our food warehouse to the Foodbanks all year round.

FoodStop

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

Folkestone Rainbow Centre

Trustees' Report

We applaud the FoodStop, a wholly volunteer-run service, which never scaled-down and was sustained throughout the pandemic, outreaching thrice a week in two locations, despite the COVID-19 pandemic challenges. Later in the year, it returned to offering hot drinks and continued to give clients a bag containing sandwiches, water, a packet or a tin of soup; they are grateful for the supermarkets and individuals who regularly donated food. The service also provided much-needed essentials, including toiletries, sleeping bags and various clothing items.

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

Folkestone Churches Winter Shelter (FCWS)

As is our ethos, together with the Churches Together Folkestone, we provided a safe place to sleep for local rough sleepers during the 2021/22 winter months, offering a static shelter as we did in 2020/21.

We initially rented ten self-contained rooms in a local B&B until the end of February. Still, we were fortunate before Christmas to add three additional rooms and extend the Shelter to March 31 because of the additional funding we received from our Local Authority.

From day one, the Shelter was full with one client on the waiting list. Because of the extra rooms, we continued to accept referrals to our waiting list; the numbers were constantly rising from newly found rough sleepers, people leaving prisons to No Fixed Abode, people evicted and sofa surfing clients. We saw a rise in female clients fleeing domestic violence and couples who had been evicted.

This year, we offered more wrap-around support to clients, including a breakfast/social club during weekdays and evening meals, which helped increase engagement and 'move on' outcomes. We also supported guests to access COVID-19-related services, from testing to vaccinations and the national census. We referred some to appropriate support agencies, including the Drug & Alcohol Forward Trust and the Haven.

By the end of March, 30 people had been through our Shelter; seven were evicted, 5 left the county, and one was repatriated to their home country, leaving six who the Council looked after in another B&B while we continued to support them with their 'move on' plans. In total, we found housing solutions for 17 clients.

Eighty-four regular volunteers augmented by some 40 corporate volunteers served on Winter Shelter, and we thank local churches for their unwavering support.

Family Contact

The Rainbow Family Contact Centre remains the only provision in the district of a vital service that provides a safe space where children can meet their parents, siblings and grandparents when family relationships have broken down. The service continues to exist because the need for it is there and, sadly, has increased as family breakdowns and separations continue to rise in our communities.

The Centre opens on alternate Saturdays from 10 am to 1 pm; the amount of time the children spend at the Centre varies: some come fortnightly or monthly. The one-off registration fee for new clients to curb the number of 'no shows' to fully utilise the limited spaces is now embedded, and with the demand for the service rising, there is certainly scope to expand the service.

Unfortunately, due to the Covid-19 pandemic, we could only provide a limited service, only opening when the schools did. We had nine families registered with us, and although we couldn't offer many sessions, support and advice continued to be provided over the telephone. During the sessions, the children enjoy the non-resident parent's company, play with toys and games and may engage in crafts; a Christmas party for the children and their families is organised each year.

Folkestone Rainbow Centre

Trustees' Report

In July, we received a grant of £3,797 to provide supervised days out for our Contact families, although again were restricted by Covid-19. Our first ever outing was to the Tower Theatre Pantomime show at Christmas, with, unfortunately, some families choosing not to participate because of fear of Covid-19; and have more activities planned for 2022.

Money Matters Project

Money Matters was an established partnership project between The Rotary Club of Folkestone, Kent Coast Volunteering (KCV) and Citizens Advice Shepway (CAS). It was time for Rotary, who piloted the project, to pass it on to an established service provider, allowing them the capacity to develop other projects. KCV was also moving on to new projects. Our Trustees saw the natural fit of the debt management service complementing the services we already provide. They entered into a service delivery agreement with Citizens Advice in January 2021.

Money Matters supports individuals and families with unmanageable debt by engaging them with a Money Adviser from Citizens Advice who is trained and authorised to give financial advice and agrees on a Money Advice and wellbeing plan with the client. The client is then allocated a Rainbow-trained Volunteer Mentor to support them on their way out of debt.

In 2021, the service assisted 48 clients compared to 32 in 2020. The need for the service is increasing due to the rising cost of living, energy bills and inflation, further squeezing incomes.

FINANCIAL REVIEW

Reserves Policy

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

As at 31 December 2021 cash at bank and in hand was £383,698, of which £141,750 related to restricted funds. After allowing for liabilities of £25,432 the remaining balance stands at £216,516 which represents about eight months of total monthly expenditure and around 13 months expenditure from unrestricted funds.

TRUSTEE APPOINTMENTS

In July, Dr Terry Cooke-Davies retired as a Trustee and Judith Doherty was appointed to the Board.

FUTURE DEVELOPMENTS

2022 will hold many changes and developments. The rising cost of living will undoubtedly impact the number of people contacting our Foodbank, but at the same time associated with a potential loss of donations of both food and money. The Centre will need to consider staff salaries given this inflationary pressure.

There are exciting new projects in store as we seek to purchase a property to accommodate people experiencing homelessness. We are always looking for premises from which we can run additional services, especially social supermarkets and town centre locations where we could run such activities as a community café and a venue for teaching menu planning and cooking skills. The Money Matters debt advice service will be expanded and enhanced. As always, we will continue to be a flexible and adaptable organisation seeking to find ways to support people undergoing deprivation and hardship.

Folkestone Rainbow Centre

Trustees' Report

Approved by the Board and signed on its behalf by:



.....
Dr P Le Feuvre

Chair of Trustees

Date..... 14/7/22.

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 on19/7/22..... and signed on its behalf by:


.....
Dr P Le Feuvre
Trustee

Folkestone Rainbow Centre

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

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021.

Responsibilities and basis of report

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

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

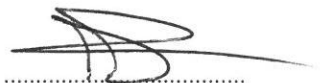
Independent examiner's statement

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

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....
Mr Dan Payne FCCA
Beresfords
Chartered Certified Accountants
1-2 Rhodium Point
Spindle Close
Hawkinge
Folkestone
Kent
CT18 7TQ

Date: 19/7/22

Folkestone Rainbow Centre

Statement of Financial Activities for the Year Ended 31 December 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	218,901	28,426	247,327
Charitable activities	4	-	142,755	142,755
Other trading activities	5	13,399	-	13,399
Investment income	6	33,645	5	33,650
Other income	7	28,000	-	28,000
Total Income		293,945	171,186	465,131
Expenditure on:				
Charitable activities	8	(210,278)	(136,957)	(347,235)
Total Expenditure		(210,278)	(136,957)	(347,235)
Net income		83,667	34,229	117,896
Net movement in funds		83,667	34,229	117,896
Total funds brought forward		478,732	121,727	600,459
Total funds carried forward	20	562,399	155,956	718,355

2020 Accounts

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

The notes on pages 13 to 26 form an integral part of these financial statements.

Folkestone Rainbow Centre
(Registration number: 04318070)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	340,376	348,615
Investments	16	<u>1</u>	<u>1</u>
		<u>340,377</u>	<u>348,616</u>
Current assets			
Debtors	17	29,744	9,602
Cash at bank and in hand	18	<u>383,698</u>	<u>268,851</u>
		413,442	278,453
Creditors: Amounts falling due within one year	19	<u>(35,464)</u>	<u>(26,609)</u>
Net current assets		<u>377,978</u>	<u>251,844</u>
Net assets		<u>718,355</u>	<u>600,460</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		155,956	121,727
Unrestricted income funds			
Unrestricted funds		<u>562,399</u>	<u>478,733</u>
Total funds	20	<u>718,355</u>	<u>600,460</u>

The notes on pages 13 to 26 form an integral part of these financial statements.

Folkestone Rainbow Centre
(Registration number: 04318070)
Balance Sheet as at 31 December 2021


For the financial year ending 31 December 2021 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 on1st/1/22 and signed on their behalf by:


.....
Dr P Le Feuvre
Trustee

The notes on pages 13 to 26 form an integral part of these financial statements.

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Charity status

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

The address of its registered office is:

Cornerstone
69 Sandgate Road
Folkestone
Kent
CT20 2AF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

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

Exemption from preparing a cash flow statement

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

Income and endowments

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

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

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 2021

Tangible fixed assets

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

Depreciation and amortisation

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

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

Business combinations

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

Fixed asset investments

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

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

Trade debtors

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

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

Cash and cash equivalents

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

Trade creditors

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

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

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

Fund structure

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

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

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

Financial instruments

Recognition and measurement

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

Investments

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

3 Income from donations and legacies

	Unrestricted funds £	Restricted £	Total 2021 £	Total 2020 £
Donations and legacies;				
Appeals and donations	143,942	20,239	164,181	127,280
Gift aid tax reclaimed	3,616	2,435	6,051	6,977
Winter Shelter donations	-	5,752	5,752	9,534
Grants, including capital grants;				
Grants receivable	71,081	-	71,081	47,218
Other income	262	-	262	74
	<u>218,901</u>	<u>28,426</u>	<u>247,327</u>	<u>191,083</u>

4 Income from charitable activities - restricted grants received

	Restricted £	Total 2021 £	Total 2020 £
FoodStop	14,850	14,850	5,313
Folkestone Churches Winter Shelter	110,913	110,913	46,862
Food Bank	16,992	16,992	41,092
	<u>142,755</u>	<u>142,755</u>	<u>93,267</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

5 Income from other trading activities

	Unrestricted funds £	Total 2021 £	Total 2020 £
Events income;			
Fundraising events	13,399	13,399	19,869
	<u>13,399</u>	<u>13,399</u>	<u>19,869</u>

6 Investment income

	Unrestricted funds £	Restricted £	Total 2021 £	Total 2020 £
Interest receivable and similar income;				
Interest receivable on bank deposits	340	5	345	409
Income from rents	33,305	-	33,305	24,664
	<u>33,645</u>	<u>5</u>	<u>33,650</u>	<u>25,073</u>

7 Other income

	Unrestricted funds £	Total 2021 £	Total 2020 £
Income from trading subsidiary	28,000	28,000	20,000

8 Expenditure on charitable activities

	Unrestricted funds £	Restricted £	Total 2021 £	Total 2020 £
Note				
General	20	-	20	548
FoodStop	-	4,662	4,662	2,749
Folkestone Churches Winter Shelter	-	67,186	67,186	56,321
Homeless Support Service	62,997	-	62,997	68,006
Contact	3,450	-	3,450	2,441
Food Bank	-	55,389	55,389	45,069
Allocated support costs	9 136,405	8,677	145,082	133,881
Governance costs	9 7,406	1,043	8,449	8,705
	<u>210,278</u>	<u>136,957</u>	<u>347,235</u>	<u>317,720</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

9 Analysis of governance and support costs

Support costs allocated to charitable activities

	Other support costs £	Total 2021 £	Total 2020 £
FoodStop	277	277	369
Folkestone Churches Winter Shelter	6,004	6,004	6,006
Contact	1,250	1,250	1,250
Food Bank	2,396	2,396	2,523
Wages	57,515	57,515	41,003
Staff NIC	2,592	2,592	1,406
Staff pensions	2,167	2,167	1,659
Recruitment and employment costs	1,502	1,502	866
Rates	440	440	124
Light and heat	10,366	10,366	4,381
Insurance	3,318	3,318	2,266
Repairs	14,866	14,866	34,493
Telephone	3,231	3,231	2,682
Computer expenses	3,944	3,944	6,787
Printing, postage and stationery	1,288	1,288	784
Management fees	-	-	2,500
Sundry expenses	3,392	3,392	554
Cleaning	13,203	13,203	12,831
Travelling	150	150	-
Legal and professional fees	9,061	9,061	-
Bank charges	64	64	96
Loan interest	-	-	1,396
Depreciation	8,056	8,056	9,237
Loss on disposal of fixed assets	-	-	668
	<u>145,082</u>	<u>145,082</u>	<u>133,881</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

Governance costs

	Unrestricted funds £	Restricted £	Total 2021 £	Total 2020 £
Independent examiner fees				
Examination of the financial statements	2,220	-	2,220	2,220
Other governance costs	5,186	1,043	6,229	6,485
	<u>7,406</u>	<u>1,043</u>	<u>8,449</u>	<u>8,705</u>

10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Loss on disposal of fixed assets held for the charity's own use	-	668
Depreciation of fixed assets	<u>8,729</u>	<u>10,135</u>

11 Trustees remuneration and expenses

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

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

12 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	161,377	166,088
Social security costs	8,323	8,981
Pension costs	<u>3,207</u>	<u>4,147</u>
	<u>172,907</u>	<u>179,216</u>

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

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

	2021 No	2020 No
Service delivery	5	4
Support	2	3
Winter Shelter	1	2
Food Bank	3	2
	<u>11</u>	<u>11</u>

The average number of employees during 2021 includes 4 full time staff and the remainder is made up of part time staff.

The average full time equivalent for the first three quarters of the year was 6.6 and for the final quarter of the year was 8.3.

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

13 Independent examiner's remuneration

	2021 £	2020 £
Examination of the financial statements	<u>2,220</u>	<u>2,220</u>

14 Taxation

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

15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2021	374,604	61,574	27,461	463,639
Additions	<u>-</u>	<u>490</u>	<u>-</u>	<u>490</u>
At 31 December 2021	<u>374,604</u>	<u>62,064</u>	<u>27,461</u>	<u>464,129</u>
Depreciation				
At 1 January 2021	44,308	50,048	20,668	115,024
Charge for the year	<u>4,028</u>	<u>3,003</u>	<u>1,698</u>	<u>8,729</u>
At 31 December 2021	<u>48,336</u>	<u>53,051</u>	<u>22,366</u>	<u>123,753</u>
Net book value				
At 31 December 2021	<u>326,268</u>	<u>9,013</u>	<u>5,095</u>	<u>340,376</u>
At 31 December 2020	<u>330,296</u>	<u>11,526</u>	<u>6,793</u>	<u>348,615</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

Included within the net book value of land and buildings above is £Nil (2020 - £Nil) in respect of freehold land and buildings and £326,268 (2020 - £330,296) in respect of leaseholds.

16 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>
Shares in group undertakings and participating interests		
	Subsidiary undertakings £	Total £
Cost		
At 1 January 2021	<u>1</u>	<u>1</u>
At 31 December 2021	<u>1</u>	<u>1</u>
Net book value		
At 31 December 2021	<u>1</u>	<u>1</u>
At 31 December 2020	<u>1</u>	<u>1</u>

Details of undertakings

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

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2021	2020	
Subsidiary undertakings					
FRC Commercial Enterprises Ltd	England and Wales	Ordinary	100%	100%	Charity shop

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

Subsidiaries

The loss for the financial period of FRC Commercial Enterprises Ltd was £636 (2020 - £85) and the aggregate amount of capital and reserves at the end of the period was £6,376 (2020 - £7,012).

17 Debtors

	2021	2020
	£	£
Trade debtors	23,400	3,025
Prepayments	4,445	4,550
Other debtors	1,899	2,027
	<u>29,744</u>	<u>9,602</u>

18 Cash and cash equivalents

	2021	2020
	£	£
Cash on hand	751	725
Cash at bank	382,947	268,126
	<u>383,698</u>	<u>268,851</u>

19 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	17,115	9,384
Other taxation and social security	4,034	4,345
Other creditors	9,047	7,501
Accruals	5,268	5,379
	<u>35,464</u>	<u>26,609</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

20 Funds

Unrestricted

General

Designated

Total unrestricted

Restricted Funds

FoodStop

Folkestone Churches Winter Shelter

Food Bank

Restricted

Total funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
	478,732	293,945	(210,278)	(100,000)	462,399
	-	-	-	100,000	100,000
	<u>(478,732)</u>	<u>(293,945)</u>	<u>210,278</u>	<u>-</u>	<u>(562,399)</u>
	15,775	15,454	(4,939)	-	26,290
	60,897	117,231	(73,190)	-	104,938
	<u>45,055</u>	<u>38,501</u>	<u>(58,828)</u>	<u>-</u>	<u>24,728</u>
	<u>121,727</u>	<u>171,186</u>	<u>(136,957)</u>	<u>-</u>	<u>155,956</u>
	<u>600,459</u>	<u>465,131</u>	<u>(347,235)</u>	<u>-</u>	<u>718,355</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

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

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

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

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

The designated fund has been created this year and is for future property repairs and refurbishments or for future property purchases.

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

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

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

21 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2021 £
Tangible fixed assets	338,355	2,021	340,376
Fixed asset investments	1	-	1
Debtors	7,526	22,218	29,744
Cash and short-term deposits	241,949	141,749	383,698
Current liabilities	(25,430)	(10,034)	(35,464)
Total net assets	<u>562,401</u>	<u>155,954</u>	<u>718,355</u>

Folkestone Rainbow Centre

Notes to the Financial Statements for the Year Ended 31 December 2021

2020 Accounts

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

22 Related party transactions

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

FRC Commercial Enterprises Ltd

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

During the financial year under review the charity received £28,000 (2020 - £20,000) of donations from FRC Commercial Enterprises Ltd.. At the balance sheet date the amount due to FRC Commercial Enterprises Ltd was £1 (2020 - £1).