

Charity registration number 1067483

Company registration number 03489376 (England and Wales)

**EMMAUS GLOUCESTERSHIRE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

# EMMAUS GLOUCESTERSHIRE

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr M. Heap Mr M. Hudson Ms A. Beddoes Mr N. Mantle Mr C. Thomas Mrs M. Cheeseman
<b>Secretary</b>	Mr J. Feeley
<b>Charity number</b>	1067483
<b>Company number</b>	03489376
<b>Principal address</b>	Chequers Road Gloucester GL4 6PN
<b>Auditor</b>	Pitt Godden & Taylor LLP Unit 3 Ambrose House Meteor Court Barnett Way Barnwood Gloucester GL4 3GG
<b>Bankers</b>	Lloyds TSB Bank plc High Street Cheltenham GL50 1EW  CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

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# EMMAUS GLOUCESTERSHIRE

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# EMMAUS GLOUCESTERSHIRE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 30 JUNE 2022

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The trustees present their annual report and financial statements for the year ended 30 June 2022.

The Trustees confirm the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document, the Companies Act 2006 and "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 (FRS102) (effective 1 January 2019).

#### **Our Vision and Mission**

Our Vision is a world in which everyone has a home and a sense of belonging.

Our Mission is to work together to overcome homelessness and social exclusion while using our voice to achieve social change.

#### **Objectives and activities**

In setting objectives and planning for activities, the Trustees have given due consideration to guidance published by the Charity Commission relating to public benefit, and in particular to its supplementary public benefit guidance.

The objects of the charity are the alleviation of homelessness and relief of poverty, hardship and the distress they cause to those in need. The objects are specifically restricted to the alleviation and relief of poverty, hardship and distress arising therefrom, in conformance with the principles of the Emmaus Movement as published from time to time by Emmaus UK, to those in need without distinction by:

- The provision of accommodation, or assistance in such provision, for homeless people in the Gloucestershire area and such other places as may seem appropriate from time to time (the beneficiaries).
- The rehabilitation of the beneficiaries as appropriate and the provision of education, training (including, without limitation, employment training) and work opportunities and satisfaction for the beneficiaries with the purpose of developing their skills to enable them to gain employment in the future and thereby develop a sense of self-worth and dignity through having a self-supporting life.
- The support of the work of other Emmaus Communities and Emmaus Groups or other agencies in the relief of poverty and homelessness whether in the United Kingdom or elsewhere in the world and in particular (without limitation) by the exchange of resources, information and expertise with other Emmaus Movement projects worldwide.
- The fulfilling of such other purposes as may from time to time be recognised by English Law as being charitable and which the Charity shall from time to time determine.

#### **Approach to achieving Charitable objects**

Emmaus Gloucestershire provides a home, 40 hours of meaningful activity in our social enterprise each week, training and support for previously homeless or socially excluded individuals, known as 'Emmaus companions'. An unemployed, homeless or vulnerably housed person becomes a companion upon joining Emmaus Gloucestershire as a resident. Companions work together with volunteers and employees collecting, upcycling and selling donated goods in our five retail outlets. All companions have the opportunity to gain new skills and experiences in a working enterprise and, most importantly, regain self-respect, esteem and purpose whilst working to support others in greater need than themselves.

Emmaus Gloucestershire currently offers 26 bed spaces for companions. Companions sign off primary benefits and receive accommodation, food, clothing, a weekly allowance, resettlement support and access to structured support and personal development.

Opportunities are provided to gain new skills, undergo training and work as part of a team to achieve personal goals, contribute to the success of the business activities and provide assistance to others who are in need.

# EMMAUS GLOUCESTERSHIRE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### Achievements and performance

In many ways the 2021-22 financial year was more financially challenging than the previous two years.

With Government Grants and donations from charities and grant giving bodies being much more restricted. In addition to this we had our first cases of Covid affecting companions and staff; this led, at times to the closure and limitations on our retail outlets and the inevitable loss of income.

Footfall to all of our retail outlets was slow to returning to pre-pandemic levels.

However, all of our companions and staff came through the pandemic without any apparent long-term health issues. Indeed, many companions secured full-time employment during this year which has been a great achievement.

Our strategic aim to diversify our income streams and increasing the range of skills and activities available to companions is still very much our priority.

### Financial review

The total income for year ending 30 June 2022 was £737,057 which was £135,506 less than the income for the previous year.

The total expenditure for year ending 30 June 2022 was £747,217 which was £49,149 less than the expenditure for the previous year.

The net deficit for the year to 30 June 2022 was £10,160 which was £86,357 less than the previous year surplus. This was as a result of a £52,000 cost for dilapidations on the Cheltenham shop at the agreed termination of the lease. This was a one-off cost that caused the annual deficit.

This operational deficit represents 1.4% of total income which given the challenging year of transition, emerging from the Covid pandemic is understandable particularly as the deficit is due mainly to the one-off payment to break a lease early. All efforts are being made to return retail income to pre-Covid levels during the next financial year.

### Reserves

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a minimum of three months expenditure (at current expenditure levels this equates to £186,804).

At the renewal of our business continuity insurance (which included pandemic insurance up to £250,000) we were advised this was withdrawn. Trustees took a decision to self-insure and set aside £250,000 designated for this purpose.

While the level of reserves held currently far exceeds this level, the trustees are conscious that one of their properties is going to require some major investment in the very near future and the need to diversify income to reduce the reliance on High Street retail and the surplus funds will be vital when the time arrives.

### Operational performance

Emmaus Gloucestershire generated 80% of its income through its social enterprise business in 2021/22. The remainder 12% came from housing benefit, 8% from general donations, grants, and legacies.

During the year 9,490 daily bed spaces were provided. 1,460 daily bed spaces were set aside on a solidarity basis (for which no housing benefit was claimed).

# EMMAUS GLOUCESTERSHIRE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### **Risk management**

Trustees have in place risk management procedures, policies and a risk register which aims to manage and mitigate foreseeable risks that the charity might face.

The risk register is used as a dynamic tool by the management team. It is reviewed regularly by all Committees and the Board of Trustees. The chief executive has overall responsibility for monitoring the risks and ensuring appropriate and timely mitigations are put in place.

Good risk management is not about paperwork and expansive risk registers it is about a contemporary thorough knowledge of the business and wider environment it operates in. Early identification of the threats and timely responses are crucial to mitigating or avoiding threats.

### **Solidarity**

The Emmaus movement established by Abbé Pierre was founded on the concept of "Solidarity" - this means helping and working for others who are less fortunate than ourselves. Solidarity works at three levels: local, national and international. Emmaus Gloucestershire contributes at each of these levels with companions, volunteers, staff and Trustees all being involved. These contributions are not only financial but also include sharing, expertise, experience, moral support and encouragement.

### **Future plans**

Emmaus UK have agreed a revised UK 5-year strategy, we were part way through developing a new strategy when Covid-19 struck. The very important lessons from Covid-19 and the accelerated decline of the High Street retail market will inform the strategy for taking Emmaus Gloucestershire forward over the next ten years.

The Board has commissioned an external review of all employee salaries to ensure our pay is in line and comparable to the market for all roles.

### **Structure, governance and management**

The Board is responsible for the strategic direction and policy of the charity. The board meets at least quarterly and is underpinned by a committee structure. The Business and Finance Committee, HR Committee, Policy and Practice Committee and External Affairs Committee met at least quarterly to review performance and to agree priorities for the quarter ahead.

The Board of Trustees has adopted the NCVO Code of Good Governance, and reviews the structures and workings accordingly.

The HR Committee meets annually to agree the remuneration of the Chief Executive and all employees, so as to reward and motivate employees to an affordable extent.

A delegation framework is in place, with the day to day responsibility for the operations of the charity resting with the Chief Executive. The Chief Executive is responsible for ensuring that the charity delivers the activities specified in an annual operational plan and that key performance indicators are met.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M. Heap

Mr M. Hudson

Ms A. Beddoes

Mr N. Mantle

Mr C. Thomas

Mrs M. Cheeseman

# EMMAUS GLOUCESTERSHIRE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 JUNE 2022*

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None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

An annual skills audit of the Board of Trustees identifies gaps, and an open recruitment process for new Trustees takes place. This involves advertisement on Emmaus websites, and through specialist volunteering websites such as Volunteering Glos, Trustees Unlimited and REACH. An application and interview process takes place. Proposed appointments of new trustees must be approved by the Board of Trustees; following a successful application references and a DBS check are taken up.

The trustees' report was approved by the Board of Trustees and signed on their behalf by:

**Mr C. Thomas**

Trustee

Dated: 27 March 2023

# **EMMAUS GLOUCESTERSHIRE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 30 JUNE 2022***

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The trustees, who are also the directors of Emmaus Gloucestershire for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# EMMAUS GLOUCESTERSHIRE

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF EMMAUS GLOUCESTERSHIRE

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#### Opinion

We have audited the financial statements of Emmaus Gloucestershire (the 'charity') for the year ended 30 June 2022 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

# EMMAUS GLOUCESTERSHIRE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EMMAUS GLOUCESTERSHIRE

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### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations was as follows:

- The engagement partner ensured that the engagement team collectively has the appropriate competence, skills and ability to identify any non-compliance with laws and regulations.
- We identified the laws and regulations applicable to the academy via discussions with the management and from our own knowledge of the sector in which the client operates. We focused on the laws which we considered were of particular significance to the charity operations, which included the Companies Act 2006, the Charities Act 2011, health & safety regulations, safeguarding, employment law and data protection.
- We assessed the extent of the compliance with the laws and regulations identified through enquiries with management and also detailed testing of the systems and controls.

We assess the susceptibility of the charity financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud and whether they have any knowledge of any actual, suspected or alleged fraud; and
- we documented, assessed and tested the internal controls in place to reduce the likelihood of any incidences of fraud or non-compliance.

To assess the risk of fraud through management bias and override of controls, we:

- performed analytical review procedures;
- reviewed and sample tested journal entries to confirm that they were genuine transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- reviewed a sample of expenditure transactions from the charity records for appropriate authorisation.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing the disclosures in the financial statements to underlying documentation;
- reviewing the minutes of those charged with governance;
- enquiring of management as to actual potential claims and liabilities; and
- reviewing legal and professional costs incurred in the period.

# EMMAUS GLOUCESTERSHIRE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EMMAUS GLOUCESTERSHIRE

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of any relevant regulatory correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144\* of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Pitt Godden & Taylor LLP**

27 March 2023

**Chartered Accountants  
Statutory Auditor**

Unit 3 Ambrose House  
Meteor Court  
Barnett Way  
Barnwood  
Gloucester  
GL4 3GG

Pitt Godden & Taylor LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# EMMAUS GLOUCESTERSHIRE

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2022

### Current financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
	Notes					
<b><u>Income and endowments from:</u></b>						
Donations	3	50,198	-	202,500	252,698	333,217
Housing benefits	4	90,216	-	-	90,216	144,136
Other trading activities	5	585,979	-	-	585,979	392,112
Investment income	6	9,693	-	-	9,693	2,548
Other income	7	971	-	-	971	550
<b>Total income and endowments</b>		<b>737,057</b>	<b>-</b>	<b>202,500</b>	<b>939,557</b>	<b>872,563</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	8	747,217	-	-	747,217	796,366
Net gains/(losses) on investments	11	137,000	-	-	137,000	-
<b>Net movement in funds</b>		<b>126,840</b>	<b>-</b>	<b>202,500</b>	<b>329,340</b>	<b>76,197</b>
Fund balances at 1 July 2021		2,142,722	40,700	-	2,183,422	2,107,225
<b>Fund balances at 30 June 2022</b>		<b>2,269,562</b>	<b>40,700</b>	<b>202,500</b>	<b>2,512,762</b>	<b>2,183,422</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# EMMAUS GLOUCESTERSHIRE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
<b><u>Income and endowments from:</u></b>				
Donations	3	292,517	40,700	333,217
Housing benefits	4	144,136	-	144,136
Other trading activities	5	392,112	-	392,112
Investment income	6	2,548	-	2,548
Other income	7	550	-	550
<b>Total income and endowments</b>		831,863	40,700	872,563
<b><u>Expenditure on:</u></b>				
Charitable activities	8	796,366	-	796,366
Net gains/(losses) on investments	11	-	-	-
<b>Net movement in funds</b>		35,497	40,700	76,197
Fund balances at 1 July 2020		2,107,225	-	2,107,225
<b>Fund balances at 30 June 2021</b>		2,142,722	40,700	2,183,422

# EMMAUS GLOUCESTERSHIRE

## SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2022

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	All income funds 2022 £	2021 £
Gross income	737,057	872,563
Gains on investments	137,000	-
	<hr/>	<hr/>
Total income in the reporting period	874,057	872,563
	<hr/>	<hr/>
Total expenditure from income funds	747,217	796,366
	<hr/>	<hr/>
Net income for the year	126,840	76,197
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# EMMAUS GLOUCESTERSHIRE

## BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12	1,237,534		1,182,233	
Investment properties	13	280,000		-	
		<u>1,517,534</u>		<u>1,182,233</u>	
<b>Current assets</b>					
Debtors	15	64,187		59,612	
Cash at bank and in hand		963,300		986,215	
		<u>1,027,487</u>		<u>1,045,827</u>	
<b>Creditors: amounts falling due within one year</b>	16	(32,259)		(44,638)	
Net current assets		<u>995,228</u>		<u>1,001,189</u>	
<b>Total assets less current liabilities</b>		<u>2,512,762</u>		<u>2,183,422</u>	
<b>Capital funds</b>					
Endowment funds - general	17	202,500		-	
<b>Income funds</b>					
Restricted funds	18	40,700		40,700	
<u>Unrestricted funds</u>					
Designated funds	19	250,000		250,000	
General unrestricted funds		2,019,562		1,892,722	
		<u>2,269,562</u>		<u>2,142,722</u>	
		<u>2,512,762</u>		<u>2,183,422</u>	

# EMMAUS GLOUCESTERSHIRE

## BALANCE SHEET (CONTINUED)

**AS AT 30 JUNE 2022**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 27 March 2023

Mr C. Thomas  
**Trustee**

**Company registration number 03489376**



# EMMAUS GLOUCESTERSHIRE

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 30 JUNE 2022**

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		187,206		73,440
<b>Investing activities</b>					
Purchase of tangible fixed assets		(224,104)		(86,704)	
Proceeds on disposal of tangible fixed assets		4,290		(21)	
Interest received		9,693		2,548	
<b>Net cash used in investing activities</b>			(210,121)		(84,177)
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(22,915)		(10,737)
Cash and cash equivalents at beginning of year			986,215		996,952
<b>Cash and cash equivalents at end of year</b>			963,300		986,215

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# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2022**

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### **1 Accounting policies**

#### **Charity information**

Emmaus Gloucestershire is a private company limited by guarantee incorporated in England and Wales. The registered office is Chequers Warehouse, Chequers Road, Gloucester, GL4 6PN.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### **1.5 Expenditure**

Resources expended are accounted for on an accruals basis.

# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2022**

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### **1 Accounting policies**

**(Continued)**

#### **1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. Items costing less than £1,000 are written off as an expense as acquired.

Tangible fixed assets are included in the Balance Sheet at cost less accumulated depreciation, or at estimated value at the date of donation less the associated accumulated depreciation.

Depreciation is calculated to write off the cost or valuation of fixed assets, less their estimated residual values, over their estimated useful economic lives, at the following rates :-

Land and buildings	Freehold is depreciated by nil. Leasehold is depreciated over the term of the lease.
Plant and machinery	25% straight line
Fixtures, fittings & equipment	10/20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### **1.7 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

#### **1.8 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### **1.9 Stocks**

Shop stock comprises of donated items, some of which have been refurbished for sale by companions. As these items are donated, they are not held at any value on the financial statements.

#### **1.10 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

(Continued)

#### 1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations

	Unrestricted funds	Restricted funds	Endowment funds general	Total 2022	Total 2021
	£	£	£	£	£
Donations and gifts	50,198	-	202,500	252,698	69,815
Grants received	-	-	-	-	263,402
	50,198	-	202,500	252,698	333,217
<b>For the year ended 30 June 2021</b>	<b>292,517</b>	<b>40,700</b>	<b>-</b>		<b>333,217</b>
<b>Donations and gifts</b>					
Donations	-	-	-	-	48,343
Gift aid donations	-	-	-	-	21,472
Other	50,198	-	202,500	252,698	-
	50,198	-	202,500	252,698	69,815
<b>Grants receivable for core activities</b>					
COVID-19 support	-	-	-	-	82,261
Coronavirus Job Retention Scheme	-	-	-	-	55,441
The Julia and Hans Rausing Trust	-	-	-	-	80,000
Rayne Fund	-	-	-	-	40,700
Schroder Charity Trust	-	-	-	-	5,000
	-	-	-	-	263,402

# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 4 Housing benefits

	Housing benefits 2022 £	Housing benefits 2021 £
Housing benefit	90,216	144,136

### 5 Other trading activities

	2022 £	2021 £
Shop income	585,979	383,401
Fundraising events	-	8,711
Other trading activities	585,979	392,112

### 6 Investment income

	2022 £	2021 £
Rental income	9,300	2,186
Interest receivable	393	362
	9,693	2,548

### 7 Other income

	2022 £	2021 £
Other income	971	316
Insurance received	-	46,992
	971	550

# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 8 Charitable activities

	2022 £	2021 £
Staff costs	349,930	386,987
Depreciation and impairment	21,513	23,167
Other costs	369,441	379,932
Governance costs	6,333	6,280
	<u>747,217</u>	<u>796,366</u>

Included in governance costs is auditors remuneration of £4,000 (2020: £4,000)

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Trustees indemnity insurance was purchased during the year at a cost of £434 (2021- £433).

Trustees travel expenses of £54 (2021- £72) have been met by the charity.

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Shop/warehouse	6	6
Office/admin	5	5
Companion support	2	3
	<u>13</u>	<u>14</u>

#### Employment costs

	2022 £	2021 £
Wages and salaries	<u>349,930</u>	<u>386,987</u>

There were no employees whose annual remuneration was £60,000 or more.

# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 11 Net gains/(losses) on investments

	Unrestricted funds	Total
	2022 £	2021 £
Revaluation of investment properties	137,000	-

### 12 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2021	1,150,031	7,081	75,413	97,140	1,329,665
Additions	203,532	-	18,395	2,177	224,104
Disposals	-	-	(7,386)	-	(7,386)
Transfer to investment property	(143,000)	-	-	-	(143,000)
At 30 June 2022	1,210,563	7,081	86,422	99,317	1,403,383
<b>Depreciation and impairment</b>					
At 1 July 2021	25,885	7,081	38,513	75,953	147,432
Depreciation charged in the year	1,804	-	11,419	8,290	21,513
Eliminated in respect of disposals	-	-	(3,096)	-	(3,096)
At 30 June 2022	27,689	7,081	46,836	84,243	165,849
<b>Carrying amount</b>					
At 30 June 2022	1,182,874	-	39,586	15,074	1,237,534
At 30 June 2021	1,124,146	-	36,900	21,187	1,182,233

The Nailsworth leasehold included in land and buildings is depreciated over its lease term which expires in 2115.

### 13 Investment property

	2022 £
<b>Fair value</b>	
At 1 July 2021	-
Transfers from owner-occupied property	143,000
Net gains or losses through fair value adjustments	137,000
At 30 June 2022	280,000



# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### 13 Investment property

(Continued)

The fair value of the investment property has been arrived at on the basis of a valuation carried out at Farr and Farr by B. Sawers, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2022 £	2021 £
Freehold	280,000	-
Long leasehold	-	-
Short leasehold	-	-
	<u>          </u>	<u>          </u>

# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

<b>14 Financial instruments</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	5,484	13,361
	<u></u>	<u></u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	24,910	44,638
	<u></u>	<u></u>
<b>15 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	6,270	2,361
Other debtors	8,535	17,189
Prepayments and accrued income	49,382	40,062
	<u></u>	<u></u>
	64,187	59,612
	<u></u>	<u></u>
<b>16 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	7,349	-
Trade creditors	11,515	20,516
Other creditors	2,834	2,991
Accruals and deferred income	10,561	21,131
	<u></u>	<u></u>
	32,259	44,638
	<u></u>	<u></u>

### 17 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	<b>Movement in funds</b>		<b>Movement in funds</b>	
	<b>Incoming resources £</b>	<b>Balance at 1 July 2021 £</b>	<b>Incoming resources £</b>	<b>Balance at 30 June 2022 £</b>
<b>Permanent endowments</b>				
48 Lower Street, Stroud	-	-	202,500	202,500
	<u></u>	<u></u>	<u></u>	<u></u>
	-	-	202,500	202,500
	<u></u>	<u></u>	<u></u>	<u></u>

# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 July 2021	Movement in funds		Balance at 30 June 2022
	£	Incoming resources £	Resources expended £	£
The Peoples Shed	40,700	-	-	40,700
	<u>40,700</u>	<u>-</u>	<u>-</u>	<u>40,700</u>

### 19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds		Balance at 30 June 2022
	Balance at 1 July 2020	Incoming resources £	Balance at 1 July 2021	Incoming resources £	£
Continuity Fund	250,000	-	250,000	-	250,000
	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>

During the previous year the board decided the the Property and Development Fund was no longer required. Instead, in light of the pandemic, a Continuity Fund was been deemed more appropriate.

# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

#### 20 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 June 2022 are represented by:							
Tangible assets	994,334	40,700	202,500	1,237,534	1,141,533	40,700	1,182,233
Investment properties	280,000	-	-	280,000	-	-	-
Current assets/(liabilities)	995,228	-	-	995,228	1,001,189	-	1,001,189
	<u>2,269,562</u>	<u>40,700</u>	<u>202,500</u>	<u>2,512,762</u>	<u>2,142,722</u>	<u>40,700</u>	<u>2,183,422</u>

# EMMAUS GLOUCESTERSHIRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### 21 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

22 Cash generated from operations	2022 £	2021 £
Surplus for the year	329,340	76,197
Adjustments for:		
Investment income recognised in statement of financial activities	(9,693)	(2,548)
Fair value gains and losses on investment properties	(137,000)	-
Depreciation and impairment of tangible fixed assets	21,513	23,167
Movements in working capital:		
(Increase) in debtors	(4,575)	(10,542)
(Decrease) in creditors	(12,379)	(12,834)
<b>Cash generated from operations</b>	<b>187,206</b>	<b>73,440</b>