

EMMAUS SOUTH LAMBETH COMMUNITY

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Company Number: 03458828

Charity Number: 1069610

EMMAUS SOUTH LAMBETH COMMUNITY
(A company limited by guarantee)

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30TH JUNE 2021

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EMMAUS SOUTH LAMBETH COMMUNITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees and directors

Jonathan Pallas – Chair
Claire Burton - Resigned 28th January 2021
Siân Nicholson
Protima Sikdar-Wood
Robert Lee
Steven Harmer
Fiona Innes
Tess Le
Nathaniel Collins
Jessica Worner – Appointed 18th March 2021
Ravi Rai – Appointed 20th January 2022

Chief Executive Officer/ Company Secretary

James Hayes

Registered Office

Bobby Vincent House
9 Knight's Hill
West Norwood
London
SE27 0HY

Charity registration number

1069610

Company registration number

03458828

Auditor

Baxter & Co.
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

EMMAUS SOUTH LAMBETH COMMUNITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Trustees, who also act as Non-Executive directors of Emmaus South Lambeth Community ("the Charity") for the purposes of company law, present their annual report for the year ended 30 June 2021 together with the financial statements for that year.

The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102).

The Charity was incorporated as a company limited by guarantee (number 03458828) and not having a share capital on 31 October 1997 and registered as a charity (number 1069610) on 19 May 1998.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Company was constituted under a Memorandum, which established the objects and powers of the charitable company and is governed by its Articles of Association.

Induction and training of new Trustees

The Trustees are selected for their experience and skills relevant to the tasks required of the Board at each stage.

Each new Trustee is interviewed and inducted into the Charity and its objectives and mission. From time to time, appraisals are undertaken of Trustees' skills and experience.

The training facilities for Trustees offered by Emmaus UK are available to our Trustees.

Organisational structure

Board of Directors

The Board of Directors is responsible for the overall governance of the company and charity.

The management of the Charity is the responsibility of the Non-Executive Directors who act as Trustees for purposes of Charity Law and are elected and co-opted under the terms of the Articles of Association.

The Board of Trustees ("the Board") meets every two months to effect the strategic management of the Charity's affairs with reports from the Board Committees ("Subcommittees").

The Subcommittees are composed of Trustees appointed by the Board, staff of Emmaus South Lambeth Community and volunteers approved by the respective Subcommittee. They normally meet prior to each Board meeting, taking an active role in their respective areas of competence and report back to the Board on matters within their remit.

EMMAUS SOUTH LAMBETH COMMUNITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2021 - continued

Finance & Audit Committee

This Subcommittee is tasked with the following responsibilities:

- Reviewing the monthly Management Accounts;
- Reviewing the Annual Report and Financial Statements prior to approval by the Board;
- Assisting in the preparation of the Annual Budget and presenting it to the Board for approval;
- Reviewing internal financial controls and procedures;
- Ensuring compliance in legal and statutory matters in relation to Emmaus South Lambeth Community; and
- Providing ad-hoc financial reports as requested by the Board.

Business Development and Communications Committee

This Subcommittee is tasked with the following responsibilities:

- Ensuring and overseeing the development and implementation of policies and activities affecting the business/commercial development and all communications concerning Emmaus South Lambeth Community;
- Ensuring the development and implementation of sound business development strategies that will ensure Emmaus South Lambeth Community has a sound financial basis on which to further develop its work; and
- Acting as a forum for Trustees, Emmaus South Lambeth Community's staff, volunteers and Companions, empowering Companions to develop elements of ownership and a stake in the future of the Emmaus South Lambeth Community.

Human Resources and Companion Welfare Committee

This Subcommittee is tasked with the following responsibilities:

- Staffing and welfare guidance to the Charity with regard to staff, volunteers and Companions;
- HR policies and processes, appraisals and training; and
- Health and Safety matters.

EMMAUS SOUTH LAMBETH COMMUNITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2021 - continued

Senior Leadership Team

The Senior Leadership Team consists of a Chief Executive, Finance Director, Director (Lambeth) and Director (Surrey).

Related Parties

Emmaus South Lambeth Community is an independent charity, which belongs to the international Emmaus movement, and is a member of the Emmaus Federation in the UK. Emmaus Surrey is a brand name, and part of, Emmaus South Lambeth Community.

Risk Management

The Trustees have carried out an assessment of the risks facing the Charity. They have established procedures for minimising the risks associated with running the Community and risks associated with the business side of the Community's activities to reflect the development of the Charity business and activities, and also to reflect the changing nature of the economic climate.

OBJECTS AND ACTIVITIES

Objects and Aims

According to the Memorandum of Association, the Objects of the Charity are:

1. the alleviation and relief of poverty, hardship and distress arising therefrom to those in need without distinction and in furtherance of those objects but not otherwise;
2. the provision of accommodation, or assistance in such provision, for the poor and homeless in the Southbank area of London and such other places as may seem appropriate from time to time;
3. the provision of education, training and employment training for such persons with the purpose of developing skills to enable them to gain employment;
4. the support of the work of other Emmaus Communities 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 Communities worldwide;
5. to educate the public in the needs of poor and marginalised people through whatever means of publicity or education the Charity deems fit; and
6. to recruit and train workers to support the furtherance of the Objects.

EMMAUS SOUTH LAMBETH COMMUNITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2021 - continued

Significant Activities

Emmaus South Lambeth Community aims to alleviate the distress and hardship of those who have come through the ravages and trauma of homelessness and other forms of social exclusion in South London.

The Charity strives to achieve this through operating a successful Emmaus Community, which provides not only a warm welcome and a safe home to those in need, but also work, and through work, the chance to regain self-respect and hope.

Emmaus South Lambeth Community enjoys long-standing links with many organisations in South London through whom our offer of welcome, help and opportunity can be extended to all who need it in South London and are willing to subscribe to the Emmaus Principles.

All Emmaus communities are non-religious and open to all who can accept the simple practical conditions of membership without regard to gender, race, creed, or sexual orientation.

The main business for this, and indeed all Emmaus UK Communities, is collecting, recycling and then selling donated goods including furniture, bric-a-brac and some white goods. Since 2013 the supply of furniture and electrical goods to the London Borough of Lambeth for residents who would previously been eligible for Crisis Loans and Community Care Grants has been a significant part of the business. This 'Emergency Support Scheme' work is mainly carried out by the beneficiaries of the Charity and fits with the core aim of the alleviation and relief of poverty and hardship and distress.

Every Emmaus Community operates a social enterprise in which all members of the Community contribute to their mutual well-being and support, striving to generate surpluses to benefit others.

The Charity's strategies for achieving these Objects are:

- To provide a twenty-seven bed Community house in Lambeth that is welcoming, friendly and secure;
- To provide a seven bed Community in Croydon for Companions to live safely and securely, and an additional seven bed Community in Croydon for Companions wishing to move towards a semi-independent lifestyle;
- To provide training and operate sales outlets to carry on a successful social enterprise;
- To provide support, hope and encouragement to Companions, as those who live in an Emmaus Community are known to address past and present problems and, if they wish, to equip them for independent living within a timescale determined by the needs and wishes of each individual; and
- To create and maintain appropriate management.

EMMAUS SOUTH LAMBETH COMMUNITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2021 - continued

The following factors are relevant to the achievement of the Charity's objectives:

- Adherence to the 5 Year strategic plan agreed by the Board in 2019 and reviewed annually.
- Development of the Charity's business including working with the local authority, London Borough of Lambeth, on delivering an Emergency Support Scheme initiative so that trading becomes the major source of income of the Charity.

Grant-making and Solidarity

Emmaus South Lambeth Community granted £50,000, payable over three years (2015-18), to Emmaus UK to support the work they are doing for the wider federation.

In 2014 members of the Community organised a Solidarity Committee, and have since undertaken a number of fundraising events for other charities. In 2020-21, members of the Community volunteered on a monthly basis with Croydon Nightwatch, helping with their outreach and food distribution on a Saturday night in central Croydon.

Staff, companions and friends of Emmaus South Lambeth Community volunteered their time to support Crisis at Christmas in a hotel in Crystal Palace. When the hotels closed on 6th January 2021, six Crisis guests were supported in temporary accommodation in London, SW16 for a further six months. This was by way of an Emmaus funded and managed house, rented from Croydon Churches Housing Association. A further seven Crisis at Christmas guests were accommodated in our Community building and supported with their move on plans, and another in a local hotel close to his work place before he reconnected with family.

In November, our Solidarity Committee nominated six local charities who each benefited from purchased goods to support their various causes at a total value of £1,000.

In addition, Emmaus SLC has supported several ad-hoc requests for furniture and goods in kind with an approximate value of £1,500 for local people in need.

Volunteers

The Charity has over the year had the help of about forty part-time volunteers who assist in the shops, office, warehouse, and vans.

Charitable Activities

A site suitable for an Emmaus Community was identified and purchased by the Charity in 2001. This included space for accommodation, a warehouse and two shops and a major fundraising effort was undertaken to cover the cost of the accommodation block and warehouse.

EMMAUS SOUTH LAMBETH COMMUNITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2021 – continued

Shops and Warehouse

The Charity opened its first shop selling donated goods in November 2004. In April 2006 a second shop, adjacent to the first one, was opened to allow the Charity to expand the range of goods offered. In November 2009 the Charity moved its furniture sales and workshop into its own building in Beadman Street, after a successful short lease in a local warehouse.

In April 2012 the Charity leased another shop at 88 Knights Hill for selling furniture and other household items.

In spring 2013 the Charity agreed a lease with the London Borough of Lambeth on a unit in Brixton which would be used to supply furniture and electrical goods to the local authority for residents who would previously have been eligible for Crisis Loans and Community Care Grants. This 'Emergency Support Scheme' commenced in April 2013 and fits with the core aim of the alleviation and relief of poverty and hardship and distress. The work involved in the Emergency Support Scheme is mainly carried out by the beneficiaries of the Charity.

In October 2016 the Charity took on a 66-year lease on a large retail property in Stafford Road, Wallington. This unit had previously been trading as Wallington Missionary Mart & Auctions before being transferred to Emmaus UK in 2014. In November 2017, the freehold was purchased from London Borough of Sutton for £25,000. As the buildings on this site are in a poor state of repair and not economically viable to bring up to standard, we have begun to market the sale of the freehold and, after careful consideration and legal advice, are progressing with an offer and hope to exchange contracts in the spring of 2022 and vacate the property in 24 months from exchange.

In March 2017, the Charity took on a lease for an antique shop in High Street, Carshalton and then in July 2017, a 5-year lease on a furniture shop in Caterham. In October 2018 a 5-year lease was taken on a high street shop on Brighton Road, Purley.

Accommodation

In 2006 agreement was reached with Ujima Housing Association (Ujima) whereby Emmaus South Lambeth Community granted Ujima a 999-year lease over part of its site in West Norwood, enabling Ujima to access £1.67 million of funding from the Housing Corporation to fund the construction of the accommodation block.

Construction work was completed in early October 2007 and the first Companion moved into the Community later that month. In January 2008 Ujima was taken over by London and Quadrant Housing Association.

The Community consistently operates at its capacity of twenty-seven Companions.

In May 2014 the Charity entered into a three-year agreement with West London Mission (WLM) to develop and manage a satellite residential Community in WLM premises in Kennington. The project ran, as planned, until May 2017 and was considered a success.

EMMAUS SOUTH LAMBETH COMMUNITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2021 – continued

In January 2018 a bid was accepted for the freehold purchase of a 7-bed House of Multiple Occupancy (HMO) in the London Borough of Croydon, owned by Croydon Churches Housing Association, who have supported our Companions throughout the year in accessing independent accommodation.

This purchase was completed in August 2018 and the capital cost of £700,000 was very generously funded by The Leslie Aldridge Trust, to whom we are extremely grateful.

In October 2019 a freehold purchase was completed for another 7 bed HMO in Croydon, from Croydon Churches Housing Association. We are very grateful to The Leslie Aldridge Trust and Emmaus UK for funding the capital cost of £693,000.

Workshop/Warehouse

In March 2007 the Charity was successful in being awarded £250,000 from the Department of Communities and Local Government, which, together with other pledged funds and donations already received enabled the Charity to commence construction of a workshop/warehouse on a site purchased by the Charity at the rear of the Accommodation Block in West Norwood.

The Charity modified its original plans for the warehouse for which planning permission had been granted as the cost of that warehouse design proved to be prohibitive and the Charity obtained revised planning permission for a smaller warehouse. The construction commenced in spring 2009 and was completed in November 2009.

Social Impact

The year 2020-21 saw a total of 23 new Companions join as residents. Due to COVID 19 restrictions we received fewer than usual enquiries each month, however these averaged around 12 each month and approximately 3 per month went on to become referrals for accommodation. These enquiries and referrals come from a wide range of sources, including homeless hostels and day centres, rough sleeper outreach teams, the prison service, and self-referrals.

Of the 16 Companions moving on from the Community, eight moved into independent accommodation in the private rented sector, four moved to other Emmaus Communities, two reconnected with families, one moved in with a friend, and one entered student accommodation when returning to university. Of these, five moved into paid full-time, employment.

All Companions were given monthly support plan meetings and bi-monthly progression diaries to assist them in achieving their aims and aspirations. Many of these were conducted either digitally or by telephone, whilst in lockdown. Companions were also offered, and engaged with, a range of external services, including work experience placements, online courses, therapeutic counselling and support with alcohol issues via Turning Point.

EMMAUS SOUTH LAMBETH COMMUNITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2021 – continued

We have successfully assisted all of our Companions to have bank accounts and make the transition to receiving their allowance monthly into the bank, rather than weekly in cash. This enables them to prepare for life outside of the Emmaus Community, whether that be in paid employment or in receipt of Universal Credit. Companions, staff and Trustees have been supporting local rough sleepers through volunteering activities with food distribution organisations and Crisis at Christmas.

We have been fortunate to employ the services of a Move-On Support Worker and a Progression Coach, part funded through a grant donation from 29th May 1961 Fund. The Move-On Support Worker assists Companions in their goal towards independent living and employment, including support with external training. This service was disrupted through the numerous lockdowns and restrictions in place due to COVID 19.

There has been limited opportunities for training and courses for our Companions this year. The focus to engage Companions in social events remains high, however, with trips to the theatre, cinema, various football and rugby matches, and group events such as 10 pin bowling, barbeques and our annual summer Bank Holiday trip to Brighton taking place throughout the year, wherever possible.

During the year, there has been a space filled by a gentleman who has no recourse to public funds and is unable to claim Housing Benefit. Another space has been filled by a gentleman whilst his immigration status is being processed by the Home Office.

FINANCIAL REVIEW

A surplus was achieved in the year of £156,329 (2019-20: £778,701).

The balance sheet shows that the charity had net funds of £3,579,460 (2019-20 £3,423,131) at the year end.

Reserves Policy

The Trustees maintain a conservative Reserves Policy to ensure that all short term and long term commitments can be met in the current economic environment. Reserves constitute funds arising from income which becomes available to the charity and is to be spent at the discretion of the Trustees in furtherance of the objects of the Charity and which is not yet spent, committed, restricted or designated. Reserves are held to finance all liabilities and future development of the charity.

The Trustees wish to maintain a sufficient level of liquid unrestricted reserves so that there are adequate funds to meet all current and known liabilities ideally for a range of between three and five months' revenue expenditures.

With regard to our current cash reserves, we have been purposely holding more than usual given the uncertainties of the pandemic. As we move out of the restrictions and uncertainty of Covid 19, we fully expect to invest some cash reserves in projects to further our charitable aims

Emmaus South Lambeth Community is extremely grateful for all the generous donations given throughout the year.

EMMAUS SOUTH LAMBETH COMMUNITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30TH JUNE 2021 - continued

Investment Policy and Objectives

The Charity's principal investment is in land and buildings in West Norwood and Surrey.

The Trustees, having regards to the liquidity of the Charity keep its funds on deposit so that the funds are available when required and are satisfied with the return achieved on cash deposits.

FUTURE DEVELOPMENTS

Both business and residential opportunities will continue to be explored and developed with further new retail outlets being sought for the coming year. Support Workers will be considered for all new retail activities to provide Companions with additional support in the work place as well as continuing support from staff by way of monthly support plans.

As financial self-sufficiency is maintained, the Trustees plan to use any surplus generated in future years in line with the charity's 5 year strategic plan which includes the development of new Emmaus Communities and for charitable purposes consistent with the aims and objectives of Emmaus South Lambeth Community.

Plans are in place for the redevelopment of the Beadman Street site to include an office complex on a mezzanine floor, and the creation of a three bedroom 'move on flat' in Bobby Vincent House, on the site of the existing offices. We are grateful to both Emmaus UK and the Leslie Aldridge Trust for helping to fund this work.

COVID 19 IMPACT

With the continuation of the COVID 19 pandemic which started to impact on us from March 2020, all our retail shops have had to close intermittently in line with the Government instructions. Advantage was taken of the Government Jobs Retention Scheme where several staff were placed on furlough leave. We also received associated grants to obviate the financial impact on the Charity. Our financial position remained stable throughout this period, and we showed continued resilience throughout the year. We are also pleased to report that no Companions or staff became seriously ill due to the virus.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Emmaus South Lambeth Community for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

EMMAUS SOUTH LAMBETH COMMUNITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30TH JUNE 2021 - continued

Company law in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charitable company and the incoming resources and application of the resources, including the net income or expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- e) 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 proper 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Disclosure of information to auditor

So far as the trustees are aware, there is no relevant audit information which has not been disclosed to the charity's auditors. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any matters which would be relevant for audit purposes, and to ensure that such information has been communicated to the charity's auditors.

Risk Management

The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems and procedures have been established to manage those risks.

Going Concern

As described in the accounting policies on page 18, the accounts have been prepared on a going concern basis which assumes that the charitable company can continue to operate.

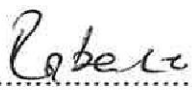
Auditors

A resolution will be proposed at the next Annual General Meeting to re-appoint Baxter & Co as the company's auditors.

Small Companies' Exemptions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the board on 17th March 2022 and signed on its behalf by:


.....
Robert Lee - Trustee

EMMAUS SOUTH LAMBETH COMMUNITY INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EMMAUS SOUTH LAMBETH COMMUNITY

Opinion

We have audited the accounts of Emmaus South Lambeth Community for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of 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 accounts:

- give a true and fair view of the state of the charity's affairs as at 30 June 2021 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 Charities Act 2011.

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 accounts section of our report. We are independent of the in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

EMMAUS SOUTH LAMBETH COMMUNITY

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EMMAUS SOUTH LAMBETH
COMMUNITY – Continued

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in 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 there is a material misstatement in the accounts or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

EMMAUS SOUTH LAMBETH COMMUNITY

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF EMMAUS SOUTH LAMBETH
COMMUNITY - Continued

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charitable company'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 either intend 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect there under.

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditors-responsibilities>. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud; through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

EMMAUS SOUTH LAMBETH COMMUNITY

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF EMMAUS SOUTH LAMBETH
COMMUNITY - Continued

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquires of management and those charged with governance and obtaining additional corroborative evidence as required.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

EMMAUS SOUTH LAMBETH COMMUNITY

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF EMMAUS SOUTH LAMBETH
COMMUNITY – Continued

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

EMMAUS SOUTH LAMBETH COMMUNITY

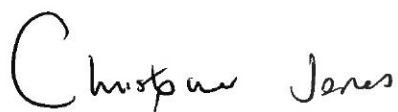
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF EMMAUS SOUTH LAMBETH
COMMUNITY – Continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluation the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report or for the opinions we have formed.



28 March 2022

Christopher Jones FCCA, Senior Statutory Auditor

For and on behalf of

Baxter & Co

Chartered Certified Accountants

Statutory Auditor

Lynwood House

Crofton Road

Orpington

Kent

EMMAUS SOUTH LAMBETH COMMUNITY

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) FOR THE YEAR ENDED 30TH JUNE 2021

	Notes	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>30/06/2021 Total funds</u>	<u>30/06/2020 Total funds (see over)</u>
		£	£	£	£
INCOME FROM:					
Donations and legacies	2	165,167	180,693	345,860	902,255
Activities for Generating Funds	3	1,320,063	-	1,320,063	1,422,008
Investments – Bank Interest	4	2,359	-	2,359	2,458
Government Grants	5	137,020	-	137,020	64,648
Total incoming resources		1,624,609	180,693	1,805,302	2,391,369
EXPENDITURE ON:					
Charitable activities: -					
Community Development/Operations	6	253,793	130,693	384,486	407,535
Trading	6	1,236,694	-	1,236,694	1,180,394
Governance costs	7	27,793	-	27,793	24,739
Total Resources Expended		1,518,280	130,693	1,648,973	1,612,668
Net Incoming (Outgoing) Resources Before Transfers		106,329	50,000	156,329	778,701
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		106,329	50,000	156,329	778,701
Total funds brought forward		3,414,381	8,750	3,423,131	2,644,430
TOTAL FUNDS CARRIED FORWARD		3,520,710	58,750	3,579,460	3,423,131

The comparative figures for 2020 are analysed according to fund on the next page of these financial statements.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EMMAUS SOUTH LAMBETH COMMUNITY

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) FOR THE YEAR ENDED 30TH JUNE 2021

	Notes	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>30/06/2020 Total funds</u>	<u>30/06/2019 Total funds</u>
		£	£	£	£
INCOME FROM:					
Donations and legacies		188,799	713,456	902,255	749,800
Activities for Generating Funds		1,422,008	-	1,422,008	1,447,809
Investments – Bank Interest		2,458	-	2,458	663
Government Grants		64,648	-	64,648	-
Total incoming resources		1,677,913	713,456	2,391,369	2,198,272
EXPENDITURE ON:					
Charitable activities: -					
Community Development/Operations		356,867	50,668	407,535	426,610
Trading		1,180,394	-	1,180,394	1,084,801
Governance costs		24,739	-	24,739	36,729
Total Resources Expended		1,562,000	50,668	1,612,668	1,548,140
Net Incoming (Outgoing) Resources Before Transfers		115,913	662,788	778,701	650,132
Transfers between funds		693,000	(693,000)	-	-
NET MOVEMENT IN FUNDS		808,913	(30,212)	778,701	650,132
Total funds brought forward		2,605,468	38,962	2,644,430	1,994,298
TOTAL FUNDS CARRIED FORWARD		3,414,381	8,750	3,423,131	2,644,430

EMMAUS SOUTH LAMBETH COMMUNITY

BALANCE SHEET AS AT 30TH JUNE 2021

		<u>30/06/2021</u>	<u>30/06/2020</u>
		£	£
	Notes		
FIXED ASSETS			
Tangible assets	11	2,734,647	2,714,948
CURRENT ASSETS			
Debtors	12	130,335	101,139
Cash at bank and in hand		790,286	667,879
Stock		7,303	8,290
		<u>927,924</u>	<u>777,308</u>
CREDITORS			
amounts falling due within one year	13	83,111	69,125
NET CURRENT ASSETS		<u>844,813</u>	<u>708,183</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,579,460</u>	<u>3,423,131</u>
FUNDS			
General unrestricted funds			
Unrestricted funds		3,520,710	3,414,381
Restricted funds		58,750	8,750
TOTAL FUNDS	14	<u>3,579,460</u>	<u>3,423,131</u>

The accounts are prepared in accordance with the provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 17th March 2022

Robert Lee - Trustee



EMMAUS SOUTH LAMBETH COMMUNITY

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 30TH JUNE 2021

1 Basis of Preparation

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charitable company is a Public Benefit Entity as defined by FRS 102.

The accounts have been prepared on the historical cost convention modified by the revaluation of certain fixed assets. The principal accounting policies adopted are set out below.

Going Concern

The trustees have considered the impact of Covid-19 in assessing the charities ability to continue as a going concern. Whilst the pandemic has impacted the charity through closure of the stores in line with national lockdown measures, the use of the Government Job Retention scheme has allowed the charity to control its costs throughout these period of closures. In addition, the charity has been able to take advantage of support grants to obviate the impact of the pandemic.

Through safe working practice, the charity has to date ensured that no companion or staff have contracted the virus. Through these safe working practices being operated, the charity is confident that they are in a strong position to resume normal practice in line with national and local restrictions.

The charity operates a strong financial footing, allowing the impact of Government instructed closures to be mitigated, with a positive year ahead expected despite the ongoing impact of the pandemic on our daily lives. On consideration of the charity's financial position, the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees have prepared these financial statements on a going concern basis.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes.

The aim and use of each fund is set out in the notes to the financial statements.

EMMAUS SOUTH LAMBETH COMMUNITY
PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30TH JUNE 2021 - Continued

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.

Expenditure

All expenditure (including irrecoverable VAT) is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Governance Costs

Governance costs are those associated with compliance with constitutional and statutory requirements and are allocated, along with other support costs, to charitable expenditure.

Taxation

The company is a registered charity and as such its income is exempt from income tax and corporation tax under the provisions of the Income and Corporation Taxes Act 1988 to the extent that it is applied to its charitable objectives. The cost of irrecoverable VAT incurred has been included in the statement of financial activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property - 2% on cost

Long leasehold - 1 – 20% on cost and reducing balance

Fixtures and fittings - 20% and 33% on cost

Motor vehicles - 25% on cost

Office equipment - 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

EMMAUS SOUTH LAMBETH COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

	<u>30/06/2021</u>	<u>30/06/2020</u>
	£	£
2. VOLUNTARY INCOME		
Donations and Gift Aid claims	345,860	902,255
3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		
Trading income	1,024,077	1,015,354
Accommodation receipts	295,986	406,654
	<u>1,320,063</u>	<u>1,422,008</u>
4. INVESTMENT INCOME		
Interest receivable	2,359	2,458
5. GOVERNMENT GRANTS		
Job Retention Scheme	137,020	64,648
6. Analysis of resources expended		
<u>Direct charitable costs</u>		
Staff costs	911,813	885,875
Premises costs	181,647	183,774
Companions costs	162,306	141,777
Depreciation (see note below)	108,706	84,159
Goods purchased for resale	106,200	99,907
Other charitable expenditure including reallocations	150,508	192,437
	<u>1,621,180</u>	<u>1,587,929</u>

EMMAUS SOUTH LAMBETH COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021 – continued

7. GOVERNANCE COSTS

	<u>30/06/2021</u>	<u>30/06/2020</u>
	£	£
Accountancy fees	9,421	8,831
Professional fees	14,872	11,828
Auditor's remuneration	3,500	4,080
	<u>27,793</u>	<u>24,739</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after
charging/(crediting):

Auditors' remuneration	3,500	4,080
Depreciation – owned assets	108,706	84,159
(Gain) Loss on disposal of fixed assets	<u>(260)</u>	<u>(6,042)</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2021 nor for the year ended 30 June 2020.

Trustees' Expenses

There were no expenses reimbursed to the trustees during the year
(2020 - £nil).

10. STAFF COSTS

Wages and salaries	848,149	828,325
Social security costs	63,664	57,550
	<u>911,813</u>	<u>885,875</u>

The number of employees during the year was as follows:

<u>48</u>	<u>41</u>
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No employee received remuneration amounting to more than £60,000 in either year.

EMMAUS SOUTH LAMBETH COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021 – continued

	Freehold property £	Long leasehold £	Fixtures, fittings and office equipment £	Motor vehicles £	Total £
11. TANGIBLE FIXED ASSETS					
COST					
At 1 July 2020	2,919,221	200,000	188,813	50,300	3,358,334
Additions	-	-	104,423	27,483	131,906
Disposals	-	-	-	(6,000)	(6,000)
At 30 June 2021	2,919,221	200,000	293,236	71,783	3,484,240
DEPRECIATION					
At 1 July 2020	438,510	37,688	152,856	14,332	643,386
Charge for year	58,384	2,000	34,371	13,952	108,707
Disposals	-	-	-	(2,500)	(2,500)
At 30 June 2021	496,894	39,688	187,227	25,784	749,593
NET BOOK VALUE					
At 30 June 2021	2,422,327	160,312	106,009	45,999	2,734,647
At 30 June 2020	2,480,711	162,312	35,957	35,968	2,714,948

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>30/06/2021</u>	<u>30/06/2020</u>
	£	£
Other debtors	130,335	101,139

EMMAUS SOUTH LAMBETH COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021 – continued

	30/06/2021 £	30/06/2020 £
13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors	50,838	16,240
Taxation and social security	23,289	12,743
Other creditors	8,984	40,142
	<u>83,111</u>	<u>69,125</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Fixed assets	2,734,647	-	2,734,647	2,714,948
Current assets	869,174	58,750	927,924	777,308
Current liabilities	(83,111)	-	(83,111)	(69,125)
	<u>3,520,710</u>	<u>58,750</u>	<u>3,579,460</u>	<u>3,423,131</u>

The designated Fixed Asset Fund represents fixed assets for the continuing use within the Charity. These assets were, in part, purchased using donations restricted for such use. As each restriction is discharged the Trustees have designated them as an unrestricted fixed asset fund to emphasise that they are not funds available for spending.

PRIOR YEAR

	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Fixed assets	2,714,948	-	2,714,948	2,039,293
Current assets	768,558	8,750	777,308	660,314
Current liabilities	(69,125)	-	(69,125)	(55,177)
	<u>3,414,381</u>	<u>8,750</u>	<u>3,423,131</u>	<u>2,644,430</u>

EMMAUS SOUTH LAMBETH COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30TH JUNE 2021 – continued

15. CAPITAL COMMITMENTS

There were no capital commitments contracted prior to 30th June 2021.

16. RELATED PARTIES

Emmaus South Lambeth Community is a member of the Emmaus UK Federation, Emmaus Europe and Emmaus International. It pays an annual subscription to all three of these organisations which is variable according to its turnover. In the year ended 30th June 2021 £14,286 (2020:£14,389) was paid to the Emmaus UK Federation, Emmaus Europe and Emmaus International.

17. ANALYSIS OF FUNDS

	Balance at 1 July 2020 £	Net movement in funds £	Transfer between funds £	Total funds 30 June 2021 £
Unrestricted Fund				
General Fund	699,433	10,689	-	710,122
Designated Fund	2,714,948	95,640	-	2,810,588
Restricted Fund				
Various-see narrative	8,750	50,000	-	58,750
	<u>3,423,131</u>	<u>156,329</u>	<u>-</u>	<u>3,579,460</u>

PRIOR YEAR

	Balance at 1 July 2019 £	Net movement in funds £	Transfer between funds £	Total funds 30 June 2020 £
Unrestricted Fund				
General Fund	566,175	133,258	-	669,433
Designated Fund	2,039,293	(17,345)	693,000	2,714,948
Restricted Fund				
Various	38,962	62,788	(93,000)	8,750
Leslie Aldridge Trust Donation		600,000	(600,000)	-
	<u>2,644,430</u>	<u>650,132</u>	<u>-</u>	<u>3,423,131</u>

RESTRICTED FUNDS

During the year under review the charitable company received a donation of £45,000 from the Leslie Aldridge Trust to fund an office conversion, and £5,000 from The Albert Hunt Trust to fund a support worker from July 2021 – June 2022.

UNRESTRICTED FUNDS

The designated fund represents fixed assets for the continuing use within the Charity. These assets were, in part, purchased using donations restricted for such use. As each restriction is discharged the Trustees have designated them as an unrestricted fixed asset fund to emphasise that they are not funds available for spending.