

Emmaus Preston

Report of the Trustees and

Unaudited Financial Statements

for the Year Ended 30 June 2022

McMillan & Co LLP
Chartered Accountants
28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Emmaus Preston

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Emmaus Preston

Reference and Administrative Details for the year ended 30 June 2022

TRUSTEES	JA Baggaley (resigned 25/1/2022) JA Caldwell MG Conlon JR Dean KC Derbyshire PR Leeming S Savage (resigned 18/11/2022) J Swindells S Parker JJB Rawkins DJ Mein NJ Edwards KH Widdicks (appointed 6/1/2023)
REGISTERED OFFICE	The Birches 165 Ribbleson Lane Preston Lancashire PR1 5ST
REGISTERED COMPANY NUMBER	03643570 (England and Wales)
REGISTERED CHARITY NUMBER	1073677
INDEPENDENT EXAMINER	McMillan & Co LLP Chartered Accountants 28 Eaton Avenue Matrix Office Park Buckshaw Village Chorley Lancashire PR7 7NA

Emmaus Preston

Report of the Trustees for the year ended 30 June 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2022. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Emmaus Preston provides a home, work training and development for people who have been homeless or socially excluded. People who become homeless do so for a variety of complex reasons. Many of the community members have slept rough. Emmaus offers stability, companionship, support and security for people to rebuild their lives. Accommodation is available for 26 people in the Community Home.

The Community is fully inclusive. Companions are encouraged to play an active role in the day to day running of the Community.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives.

Emmaus Preston

Report of the Trustees for the year ended 30 June 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Emmaus across Lancashire

Emmaus Preston has been supporting Emmaus Burnley through a Joint Working Partnership Agreement since 2016 but in April 2022 the two charities came together with the agreement of both Boards, members and supporters to merge. The assets of Emmaus Burnley were transferred to Emmaus Preston and the lease of the Rochdale Department Store was renewed by Emmaus Preston. This merger now means we have one wider staff team across Lancashire and the option of accommodation in either Preston or Burnley for Companions as well as an even stronger, skilled and diverse Board to support us through the next few years.

We now have accommodation for up to 50 formerly homeless people, whom we call Companions, in our house on Ribbleton Lane, Preston and our house in Old Hall Street, Burnley. This is supported by four retail outlets including the two largest charity stores in the country, a former B&Q in Preston and a three floor Department Store in Rochdale. The money from these stores pays for a lot of the work we do supporting Companions and we are unique in that it is the Companions themselves who work in our stores, so customers money spent in our store directly helps the person serving them in our shop.

Free Streets is our homeless outreach project with a paid staff member plus Companions who visit up to three towns nightly across the Old County Palatine of Lancashire giving out clothing, toiletries, blankets and items such as underwear to support the people living on the streets. The project was an Emmaus Burnley one funded initially in April 2021 for 12 months by the East Lancashire Free Masons and then subsequently in this financial year and throughout 2022 a mix of funding from the William Jackson Food Group and our own funds. Whilst supporting people in the streets is great moving them off it has proved more difficult with long wait times to get people into drug, alcohol and mental health services and so we will look at options with our colleagues across Emmaus in the North West and UK to see if there is more we could deliver together to support these issues.

We have continued to develop our staff team and brought in a Head of Support alongside four Companion Development Workers, two based in Preston and two based in Rochdale/Burnley to increase the support we can offer our Companions.

We also developed a support vision which we will work on to deliver over the coming year and into the future.

MAKE A LASTING, POSITIVE IMPACT ON OUR COMPANIONS THAT ENSURES THEIR FUTURE PATH IS SAFER, HAPPIER, FULFILLING AND MORE PRODUCTIVE FOR THEM AND SOCIETY

Walk with them on their journey - sometimes in front, sometimes alongside, sometimes behinduntil eventually they walk the journey without us. Focus our work to challenge them, supporting them to overcome barriers, achieve their realistic goals and look at a new future. Make their time with us rewarding, hopeful, inspirational, transformative and successful.

Companions

The Companion numbers have increased but we have seen people in both Preston and Burnley move on positively as more work becomes available, albeit accommodation outside of Emmaus doesn't always match the need or the price our Companions can afford. The six move on flats in Burnley have been a great asset with former Companions gaining paid work outside the community and renting these from the community.

Activities have increased again from playing pool against other Emmaus to Go Karting and enjoying a Christmas party night, these have brought the community closer together.

We have widened our available courses and we have seen Companions gain accreditation in everything from Installing Cookers, Portable Appliance Testing, First Aid, Food Hygiene, Mental Health First Aid to attending College for a year to complete Health and Social Care Level 2. There is no doubt if we can increase Companion skills and learning, in particular to match the job market, we will see more positive move-on as paid work becomes readily available. The fear will be can they afford to live outside the community with the rising cost of living.

Emmaus Preston

Report of the Trustees for the year ended 30 June 2022

Business

The Social Enterprises we run, mainly retail, support the running costs of our Emmaus including paying for food, support, training courses, move-on and some of the accommodation costs of our Companions. The more money we can generate the more support we can offer to Companions and our Companions are proud that as a charity we do not chase grants and are predominantly self-funding through our own work. Compared to some of the big national charity retailers where twenty pence or less per pound of shop income goes to support the charity we are dependent on our retail income.

This financial year trading has been very good and we have seen a large number of new customers through our doors and whilst the initial resurgence of customer spending in store after Covid did not continue, stores have predominantly held their own.

Our E-commerce unfortunately has seen a downturn as people return to in store shopping for larger items and we will be reviewing how we operate this next year.

We have started to feel the increase of costs for both energy - gas and electric plus diesel for our vans and this affects not only our retail stores but the large houses we own where we house our Companions. We have finished this year with rising costs and with the expectation of costs continuing to rise throughout 2022 and into 2023 we are going to have a very tough few years financially.

Finally

A thank you to my fellow Board of Trustees who have worked tirelessly throughout the year with a special mention to Simon Parker who, as a Trustee at Preston and Chair at Emmaus Burnley, has devoted a great deal and energy to support the Board and merger. Thank you to our staff team led by Stephen Buchanan, who always do their very best and to all our volunteers who support us weekly. Thanks to all our Supporters from those who give us shops to trade from, for which we are eternally grateful, to those who donate us items to sell and those who donate us items we can give to people in the streets. Our Companions work exceptionally hard and we would like to thank those that have been with us during the year and wish them as much success as possible in the future.

FINANCIAL REVIEW

Financial position

Grants received (excluding Covid support) totalled £4,044 (2021: £2,193) and Gifts and Donations totalled £19,297 (2021: £29,003).

Rents and Housing Benefits were £138,194 (2021: £123,399).

The net movement in funds was a reduction of £564,169 (2021: £47,041). This is stated after a writedown of the value of the Preston property of £1,008,898 (2021: £nil) (see note 13) and after an extraordinary credit of £503,894 (2021: £nil) relating to the write back of negative goodwill that arose on the transfer of Emmaus Burnley (see note 12).

Reserves policy

The reserve policy is kept under review by trustees.

In line with advice from Emmaus UK we at least hold the equivalent of three months costs in reserves to cover overheads in event of closure.

The landlord of our main outlet anticipates that he will redevelop it in the near future and we hold a reserve to cover the cost of removal.

The proceeds of the sale of a property previously rented out are to be used on a long term project to teach companions useful skills in building and property maintenance.

Emmaus Preston

Report of the Trustees for the year ended 30 June 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was incorporated as a company limited by guarantee on 2 October 1998. The company's Memorandum of Association established its objectives and powers and it is governed under its Articles of Association. The directors of Emmaus Preston are also the Trustees for the purpose of Charity law. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Induction and training of new trustees

Each new Trustee is briefed about the Community, their legal responsibilities and ethical responsibilities and an induction programme is in place which included visiting other communities and attending Emmaus UK Federation induction day. Periodic appraisals are undertaken of trustee's skills and suitable training is offered.

Related parties

Emmaus Preston is a member of the Emmaus Federation in the UK. Emmaus UK is a federation of all the Emmaus Groups and Communities in the UK.

Emmaus Preston's Chair, Director and Community manager participate in Federation peer group meetings where best practice is shared. Emmaus Preston receives support from the Federation staff on recruitment, training, publicity, policy development, best practice and fund raising.

Approved by order of the board of trustees on 26 January 2023 and signed on its behalf by:

JR Dean - Trustee

Independent Examiner's Report to the Trustees of Emmaus Preston

Independent examiner's report to the trustees of Emmaus Preston ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 June 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

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

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

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

Neil McMillan FCA
Institute of Chartered Accountants in England and Wales
McMillan & Co LLP
Chartered Accountants
28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

26 January 2023

Emmaus Preston

Statement of Financial Activities for the year ended 30 June 2022

		Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	23,341	-	23,341	119,556
Charitable activities	6				
Emmaus Community		138,194	-	138,194	123,399
Friends of Fishwick and St Matthew		-	-	-	16,275
Other trading activities	4	508,706	-	508,706	365,857
Investment income	5	8,385	-	8,385	4,954
Total		678,626	-	678,626	630,041
EXPENDITURE ON					
Raising funds	7	311,030	-	311,030	248,729
Charitable activities					
Emmaus Community		392,965	4,372	397,337	341,538
Friends of Fishwick and St Matthew		-	72	72	22,647
Other		3,300	-	3,300	3,476
Total		707,295	4,444	711,739	616,390
Net (expenditure) / income before investment (losses) / gains		(28,669)	(4,444)	(33,113)	13,651
Net (losses) / gains on investments		(25,992)	-	(25,992)	33,390
Net (expenditure) / income before Extraordinary Items		(54,661)	(4,444)	(59,105)	47,041
Extraordinary items	8	213,503	(718,567)	(505,064)	-
NET (expenditure) / income for year		158,842	(723,011)	(564,169)	47,041
RECONCILIATION OF FUNDS					
Total funds brought forward		802,033	1,093,675	1,895,708	1,848,667
TOTAL FUNDS CARRIED FORWARD		960,875	370,664	1,331,539	1,895,708

The notes form part of these financial statements

Emmaus Preston

Balance Sheet 30 June 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	13	38,254	331,997	370,251	1,169,325
Investments	14	<u>310,628</u>	<u>-</u>	<u>310,628</u>	<u>336,620</u>
		348,882	331,997	680,879	1,505,945
CURRENT ASSETS					
Stocks	15	67,739	-	67,739	48,591
Debtors	16	134,852	-	134,852	66,455
Cash at bank and in hand		<u>474,047</u>	<u>38,667</u>	<u>512,714</u>	<u>352,258</u>
		676,638	38,667	715,305	467,304
CREDITORS					
Amounts falling due within one year	17	(64,645)	-	(64,645)	(77,541)
NET CURRENT ASSETS		<u>611,993</u>	<u>38,667</u>	<u>650,660</u>	<u>389,763</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>960,875</u>	<u>370,664</u>	<u>1,331,539</u>	<u>1,895,708</u>
NET ASSETS		<u>960,875</u>	<u>370,664</u>	<u>1,331,539</u>	<u>1,895,708</u>
FUNDS	18				
Unrestricted funds				960,875	802,033
Restricted funds				<u>370,664</u>	<u>1,093,675</u>
TOTAL FUNDS				<u>1,331,539</u>	<u>1,895,708</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Emmaus Preston

Balance Sheet - continued **30 June 2022**

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26 January 2023 and were signed on its behalf by:

JR Dean - Trustee

Emmaus Preston

Cash Flow Statement for the year ended 30 June 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(130,233)</u>	<u>61,326</u>
Net cash (used in)/provided by operating activities		<u>(130,233)</u>	<u>61,326</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(221,530)	(2,323)
Purchase of fixed asset investments		-	(100,000)
Sale of tangible fixed assets		-	23,316
Amortisation of negative goodwill		503,834	-
Interest received		<u>8,385</u>	<u>4,954</u>
Net cash provided by/(used in) investing activities		<u>290,689</u>	<u>(74,053)</u>
Change in cash and cash equivalents in the reporting period		160,456	(12,727)
Cash and cash equivalents at the beginning of the reporting period		<u>352,258</u>	<u>364,985</u>
Cash and cash equivalents at the end of the reporting period		<u><u>512,714</u></u>	<u><u>352,258</u></u>

The notes form part of these financial statements

Emmaus Preston

Notes to the Cash Flow Statement for the year ended 30 June 2022

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(564,169)	47,041
Adjustments for:		
Amortisation and depreciation (credits)/charges	(492,128)	52,048
(Losses) / gains on investments	25,992	(33,390)
Profit on disposal of fixed assets	-	(16,214)
Interest received	(8,385)	(4,954)
Property Impairment	1,008,898	-
(Increase)/decrease in stocks	(19,148)	1,525
Increase in debtors	(68,397)	(13,626)
(Decrease)/increase in creditors	<u>(12,896)</u>	<u>28,896</u>
Net cash (used in)/provided by operations	<u>(130,233)</u>	<u>61,326</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/7/21 £	Cash flow £	At 30/6/22 £
Net cash			
Cash at bank and in hand	<u>352,258</u>	<u>160,456</u>	<u>512,714</u>
	<u>352,258</u>	<u>160,456</u>	<u>512,714</u>
Total	<u>352,258</u>	<u>160,456</u>	<u>512,714</u>

Emmaus Preston

Notes to the Financial Statements for the year ended 30 June 2022

1. GENERAL INFORMATION

The charity is a registered charity in England and Wales and is incorporated. The address of the principal office is The Birches, 165 Ribbleson Lane, Preston, Lancashire, PR1 5ST.

There are no material uncertainties about the charity's ability to continue.

The presentational currency of the financial statements is the Pound Sterling (£).

The amounts in the financial statements have been rounded to the nearest £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Goodwill

Goodwill, being the negative goodwill arising on the transfer of Emmaus Burnley has been fully amortised in the current year.

Tangible fixed assets

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

Freehold land	- not provided
Freehold buildings	- not provided
Plant and machinery	- 25% on cost
Fixtures, fittings and equipment	- 20% - 33% on cost
Motor vehicles	- 33% on cost

Freehold land is not depreciated. No depreciation is provided on the company's freehold and long leasehold buildings as the directors consider that the lives of these assets are so long and residual values, based on prices prevailing at the time of acquisition, are sufficiently high that any depreciation would be immaterial. Provision is made in the profit and loss account in the event of any permanent diminution in the value of the properties.

Emmaus Preston

Notes to the Financial Statements - continued for the year ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Stocks

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

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Basic financial assets, which include debtors, prepayments and bank balances, are initially measured at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the asset is measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities, which include creditors, accruals, bank loans and group borrowings, are initially recognised at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the liability is measured at the present value of the future obligations discounted at a market rate of interest.

Government Grants

CJRS and small business local authority grants are accounted for under the accruals model. Where the grant is classed as revenue, it is recognised in income on a systematic basis over the periods in which the company recognises the related costs.

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations and gifts	19,297	29,003
Grants	4,044	2,193
Small business local authority grant	-	71,966
CJRS grant	-	16,394
	<u>23,341</u>	<u>119,556</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Other grants	<u>4,044</u>	<u>2,193</u>

Emmaus Preston

Notes to the Financial Statements - continued for the year ended 30 June 2022

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Shop and other sundry income	444,502	286,121
Welfare scheme	64,204	79,736
	<u>508,706</u>	<u>365,857</u>

5. INVESTMENT INCOME

	2022	2021
	£	£
Interest receivable	<u>8,385</u>	<u>4,954</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Rents and housing			
benefits received	Emmaus Community	138,194	123,399
Grants	Friends of Fishwick and St Matthew	-	16,275
		<u>138,194</u>	<u>139,674</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Big Local Trust	<u>-</u>	<u>16,275</u>

7. RAISING FUNDS

Other trading activities

	2022	2021
	£	£
Operating costs	<u>311,030</u>	<u>248,729</u>

8. NET (EXPENDITURE) / INCOME

Net (expenditure) / income is stated after charging / (crediting):

	2022	2021
	£	£
Depreciation - owned assets	11,706	52,048
Surplus on disposal of fixed assets	-	(16,214)
Extraordinary items;		
Goodwill amortisation	(503,834)	-
Property impairment	<u>1,008,898</u>	<u>-</u>

Emmaus Preston

Notes to the Financial Statements - continued for the year ended 30 June 2022

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2022 nor for the year ended 30 June 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2022 nor for the year ended 30 June 2021.

10. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2022	2021
	10	7
Staff		

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	119,556	-	119,556
Charitable activities			
Emmaus Community	123,399	-	123,399
Friends of Fishwick and St Matthew	-	16,275	16,275
Other trading activities	365,857	-	365,857
Investment income	4,954	-	4,954
Total	<u>613,766</u>	<u>16,275</u>	<u>630,041</u>
EXPENDITURE ON			
Raising funds	248,729	-	248,729
Charitable activities			
Emmaus Community	318,968	22,570	341,538
Friends of Fishwick and St Matthew	-	22,647	22,647
Other	3,476	-	3,476
Total	<u>571,173</u>	<u>45,217</u>	<u>616,390</u>
Net gains on investments	<u>33,390</u>	-	<u>33,390</u>
NET INCOME/(EXPENDITURE)	75,983	(28,942)	47,041
RECONCILIATION OF FUNDS			
Total funds brought forward	726,050	1,122,617	1,848,667
TOTAL FUNDS CARRIED FORWARD	<u>802,033</u>	<u>1,093,675</u>	<u>1,895,708</u>

Emmaus Preston

Notes to the Financial Statements - continued for the year ended 30 June 2022

12. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
Additions	<u>(503,834)</u>
AMORTISATION	
Charge for year	<u>(503,834)</u>
NET BOOK VALUE	
At 30 June 2022	<u>-</u>
At 30 June 2021	<u>-</u>

On 30 April 2022 Emmaus Preston and Emmaus Burnley merged their operations and assets and liabilities of Emmaus Burnley were transferred to Emmaus Preston at that date.

In accordance with the Charities SORP, the combination has been accounted for as an acquisition, with the corresponding negative goodwill of £503,834 being written back to the Statement of Financial Activities in the period of acquisition.

The fair value of assets and liabilities is set out below and were transferred from Emmaus Burnley at nil consideration:

	£
Fixed Assets	217,594
Debtors	137,952
Cash	183,531
Creditors	<u>(35,243)</u>
Negative Goodwill	<u>503,834</u>

Emmaus Preston

Notes to the Financial Statements - continued for the year ended 30 June 2022

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Totals £
COST					
At 1 July 2021	1,568,500	5,223	62,862	50,335	1,686,920
Additions	193,074	-	7,401	21,055	221,530
Impairments	<u>(1,008,898)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,008,898)</u>
At 30 June 2022	<u>752,676</u>	<u>5,223</u>	<u>70,263</u>	<u>71,390</u>	<u>899,552</u>
DEPRECIATION					
At 1 July 2021	409,602	4,639	53,019	50,335	517,595
Charge for year	<u>-</u>	<u>583</u>	<u>10,246</u>	<u>877</u>	<u>11,706</u>
At 30 June 2022	<u>409,602</u>	<u>5,222</u>	<u>63,265</u>	<u>51,212</u>	<u>529,301</u>
NET BOOK VALUE					
At 30 June 2022	<u>343,074</u>	<u>1</u>	<u>6,998</u>	<u>20,178</u>	<u>370,251</u>
At 30 June 2021	<u>1,158,898</u>	<u>584</u>	<u>9,843</u>	<u>-</u>	<u>1,169,325</u>

During the course of the year a formal open market valuation for the Birches, 115 Ribbleton Lane, Preston was completed by Armitstead Barnett LLP on 20 April 2022 and this has been confirmed at £150,000. Subsequently, in accordance with professional advice, the directors have approved an impairment of £1,008,898 which reflects the reduction in the carrying value of The Birches.

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 July 2021	336,620
Revaluations	<u>(25,992)</u>
At 30 June 2022	<u>310,628</u>
NET BOOK VALUE	
At 30 June 2022	<u>310,628</u>
At 30 June 2021	<u>336,620</u>

There were no investment assets outside the UK.

The historic cost of investments is £300,000 (2021: £300,000).

Emmaus Preston

Notes to the Financial Statements - continued for the year ended 30 June 2022

15. STOCKS

	2022	2021
	£	£
Stocks	<u>67,739</u>	<u>48,591</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	11,516	34,566
VAT	1,616	-
Prepayments and accrued income	<u>121,720</u>	<u>31,889</u>
	<u>134,852</u>	<u>66,455</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	21,035	41,202
Social security and other taxes	8,065	3,800
VAT	-	2,282
Accruals and deferred income	<u>35,545</u>	<u>30,257</u>
	<u>64,645</u>	<u>77,541</u>

18. MOVEMENT IN FUNDS

	At 1/7/21	Net movement in funds	At 30/6/22
	£	£	£
Unrestricted funds			
General fund	802,033	158,842	960,875
Restricted funds			
Fixed assets	1,073,318	(934,395)	138,923
Friends of Fishwick and St Matthew	20,357	(72)	20,285
Burnley Property	-	193,074	193,074
Free Streets	-	18,382	18,382
	<u>1,093,675</u>	<u>(723,011)</u>	<u>370,664</u>
TOTAL FUNDS	<u>1,895,708</u>	<u>(564,169)</u>	<u>1,331,539</u>

Emmaus Preston

Notes to the Financial Statements - continued for the year ended 30 June 2022

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	678,626	(493,792)	(25,992)	158,842
Restricted funds				
Fixed assets	-	(934,395)	-	(934,395)
Friends of Fishwick and St Matthew	-	(72)	-	(72)
Burnley Property	-	193,074	-	193,074
Free Streets	-	18,382	-	18,382
	-	(723,011)	-	(723,011)
TOTAL FUNDS	<u>678,626</u>	<u>(1,216,803)</u>	<u>(25,992)</u>	<u>(564,169)</u>

Comparatives for movement in funds

	At 1/7/20 £	Net movement in funds £	At 30/6/21 £
Unrestricted funds			
General fund	726,050	75,983	802,033
Restricted funds			
Fixed assets	1,095,888	(22,570)	1,073,318
Friends of Fishwick and St Matthew	26,729	(6,372)	20,357
	1,122,617	(28,942)	1,093,675
TOTAL FUNDS	<u>1,848,667</u>	<u>47,041</u>	<u>1,895,708</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	613,766	(571,173)	33,390	75,983
Restricted funds				
Fixed assets	-	(22,570)	-	(22,570)
Friends of Fishwick and St Matthew	16,275	(22,647)	-	(6,372)
	16,275	(45,217)	-	(28,942)
TOTAL FUNDS	<u>630,041</u>	<u>(616,390)</u>	<u>33,390</u>	<u>47,041</u>

The restricted funds relate to the purchase and development of The Birches property which was used to create an Emmaus community in Preston.

Emmaus Preston

Notes to the Financial Statements - continued for the year ended 30 June 2022

18. MOVEMENT IN FUNDS - continued

The restricted Friends of Fishwick and St Matthew fund is in relation to grants received from Big Local Trust Charity for the regeneration of Green space in Preston.

The restricted Burnley Property fund relates to the Burnley Emmaus House property which was used to create the Emmaus Community in Burnley.

19. CONTINGENT LIABILITIES

Grants received from the Emmaus UK Solidarity Fund between 2001 and 2021 totalled £295,000 (2021: £295,000). These would become repayable in the event that Emmaus Preston ceased to be a member of the Emmaus UK Federation to the extent that donations to Emmaus UK Federation did not equal this sum.

On 30 April 2022 Emmaus Preston and Emmaus Burnley merged. The contingent liability from Burnley of £145,000 was added to Prestons' along with the £224,000 loan from Emmaus UK from Burnley.

Therefore the total contingent liability in Preston now stands at £664,000.

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the years ended 30 June 2022 or 30 June 2021.

Emmaus Preston

Detailed Statement of Financial Activities for the year ended 30 June 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and gifts	19,297	29,003
Grants	4,044	2,193
Small business local authority grant	-	71,966
CJRS grant	-	16,394
	23,341	119,556
Other trading activities		
Shop and other sundry income	444,502	286,121
Welfare scheme	64,204	79,736
	508,706	365,857
Investment income		
Interest receivable	8,385	4,954
Charitable activities		
Rents and housing benefits received	138,194	123,399
Grants	-	16,275
	138,194	139,674
TOTAL INCOMING RESOURCES	678,626	630,041

Emmaus Preston

Detailed Statement of Financial Activities for the year ended 30 June 2022

	2022 £	2021 £
EXPENDITURE		
Other trading activities		
Shop warehouse and vehicle costs	273,187	199,060
Families in need costs	37,843	49,669
	311,030	248,729
Charitable activities		
Wages	207,064	148,398
Companion housekeeping and sundry costs	37,973	19,831
Companion allowances	46,391	37,778
Companion move on fund	7,893	7,523
Maintenance and utility costs: The Birches	50,860	41,438
Recruitment expenses	231	-
Other overheads	15,847	18,736
Friend of Fishwick and St Matthew costs	72	22,647
Free Streets costs	4,372	-
Depreciation of tangible fixed assets	11,706	52,048
Loss on sale of tangible fixed assets	-	(16,214)
Solidarity payment	15,000	32,000
Total charitable costs	397,409	364,185
Other costs		
Accountancy and legal fees	3,300	3,476
TOTAL RESOURCES EXPENDED	711,739	616,390
Net (deficit) / surplus before investment (losses) / gains	(33,113)	13,651
(Losses) / gains on fixed asset investments	(25,992)	33,390
Net (deficit) / surplus before extraordinary items	(59,105)	47,041
Extraordinary items		
Impairment losses for tangible fixed assets	(1,008,898)	-
Amortisation of negative goodwill	503,834	-
NET (DEFICIT) / SURPLUS FOR YEAR	(564,169)	47,041