

EMMAUS HAMPSHIRE

(A Company Limited by Guarantee)

Company Registered Number: 03783294

Charity Registered Number: 1077264

Annual Report and Accounts

For the year ended 30 June 2021

EMMAUS HAMPSHIRE
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THE YEAR ENDED 30 JUNE 2021

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EMMAUS HAMPSHIRE
TRUSTEES, OFFICERS AND PROFESSIONAL ADVISERS

President

Alison Thompson, MBE

Vice Presidents

Tony Burton

Anita Clark

Keith Falconer

Trustees

Hazel Warwick

Chair of Trustees

Terence Butler CBE

Retired 10 December 2020

Catherine Harris

Gareth Roberts

Sarah Gooding

John Conyngham

(appointed 17 June 2021)

John McKenna

(appointed 11 March 2021)

Jo Sutcliffe

(appointed 10 December 2020)

Senior Management Team

Nigel J Samuels - CEO

Company Secretary

Gareth Roberts

Registered Office:

Bar End Road, Winchester, Hampshire, SO23 9BN
The Charity is incorporated in England and Wales

Bankers:

National Westminster Bank plc
105 High Street
Winchester
Hampshire
SO23 9AW

Accountants:

Azets Audit Services
Secure House
Lulworth Close
Chandlers Ford
Hampshire
SO53 3TL

EMMAUS HAMPSHIRE
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021

TRUSTEES' REPORT

The Trustees of Emmaus Hampshire ("the Charity"), who are also directors of the Charity for the purposes of the Companies Act, present their annual report for the year ended 30 June 2021 under the Companies Act 2006 and the Charities Act 2011, together with the financial statements for that year. The financial statements comply with the requirements of the Companies Act 2006, the Charity's memorandum and articles of association and the relevant Statements of Recommended Practice (the Charities SORP).

STATUS AND ADMINISTRATION

The Charity is a registered charity (No. 1077264) and a company (No. 03783294) limited by guarantee that was incorporated on 7th June 1999. Its registered office is shown on page 2 of this report.

The present Trustees and any past Trustees who served during the year are shown on page 2, together with the names of the senior management staff and the principal external advisers as at the date of the signing of this report.

Mission

We exist to give hope and a sense of belonging to those who have experienced homelessness or social exclusion

How we do it -:

We create communities and opportunities to develop

What we do -:

We provide a home and community for as long as people need it

We support people to achieve their aspirations

We engage people in meaningful activities through a range of social enterprises

We help others through acts of solidarity

We use our voice to address the causes and consequences of homelessness and social exclusion

We are part of an International movement

We help our environment and recycle and repurpose donations

Vision

To achieve full social enterprise status, generating Income through our environmental customer proposition, whilst maximising our support those who find themselves homeless or socially excluded.

OVERVIEW OF CHARITY'S ACTIVITIES

The Trustees review the purpose, aims and activities of the Charity each year. This review looks at the achievements during the previous year, beyond just the finances, and explains the number of beneficiaries assisted and the extent of that assistance.

When carrying out the review and planning future activities, the Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Charity has two main activities, namely:

Provision of housing and support: The Charity has accommodation in Winchester for 37 Companions with further accommodation for up to 3 additional Companions.

Social enterprise: The Charity manages 3 stores that sell recycled, up-cycled and vintage furniture and home-ware.

****** In line with other Emmaus communities our residents are referred to as Companions within our organisation and this report.

Companions Philosophy

"It's not just what the community can do for you, it's as much what you can do for your community"

**EMMAUS HAMPSHIRE
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021**

Key Strategic Aims 2020-2025

Deliver a Wide Range of Activities to Address Social Exclusion

We aim to support those most in need, with a wider choice of services and Companion solidarity actions, segmented on a local, European and International basis, where we can make a tangible difference.

Create More Homes

Serve a minimum of 40 Companions and be prepared to accept tactical opportunities to enable up to a maximum of 50 Companions whilst ensuring our solidarity programme underpins our support to reduce those who are socially excluded.

Develop a Range of Employment and Move on Housing Options

Deliver sustainable independent living for our Companions

Improve our Processes and Make Better Use of Technology

We will re-map our processes to match our five-year plan and build our technology requirements around these processes. We will review our Epos system and integrate the Emmaus EUK sponsored Charity Log Customer CRM system (Customer Relationship Management).

Making our Social Enterprise More Sustainable

We aim to develop a 4th location as a Centre of Excellence, which will support our mission in homelessness, social exclusion and the pro-active participation in environmental change.

Build an Environmentally Focused & Active Organisation

Deliver our Mission through a sustainable environmental model which will increase income through a wide choice of products and reduce our running costs, whilst providing opportunities for both Companions and customers.

Shout Louder! (Build our Brand)

Double our brand recognition through PR and digital media, focussing our messages on low-cost housing solutions, solutions to help reduce social exclusion and proactively participating in environmental change.

EMMAUS HAMPSHIRE'S PEOPLE

Trustees

Emmaus Hampshire is grateful to the people who voluntarily give their valuable time to serve on the Trustees Board and various committees that are necessary to ensure Emmaus Hampshire's activities are delivered to the highest possible standard.

Staff

The Trustees wish to record their special thanks to all the staff of the charity for their sterling service on behalf of the charity, recognising that without their efforts, it would not have been possible to have achieved this result, in what has been our most challenging operating environment to-date.

Emmaus Hampshire currently employs 6 staff. All staff joining Emmaus Hampshire must undertake induction training appropriate to their work area with the common topics of health and safety and IT. Ongoing professional development training is encouraged and staff are given the time to attend courses, seminars and conferences as approved by their line manager.

Volunteers

In addition to paid staff Emmaus Hampshire enjoys the support of a small but dedicated team of volunteers. The volunteers help with merchandise selection which has a significant positive impact on retail sales and donations, and the development of our repair shop. A number of our volunteers have been recognised this year for their outstanding achievements.

Donors

Without our donors much of the valuable work Emmaus Hampshire does would not be possible and the Trustees are grateful for all their support. Emmaus Hampshire is fortunate to have a number of loyal supporters who donate regularly to our work.

**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021**

REVIEW OF ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR ENDED 30 JUNE 2021

Like the majority of organisations the COVID-19 Pandemic has had a profound impact on our community. Our social enterprise was only able to trade for 6 months of the year and we were forced to adapt our approach to income and costs to protect the organisation.

During the year our Support Managers continued to manage our 3 stage Companion development programme. This development programme supports our Companions from their first day with us, through to them being able to become independent once again, with a full-time sustainable job and home of their own.

The average weekly occupancy rate during the Year equals last year's record of 27 Companions. Of the current Companions over 50% have been resident over 2 Years, with the majority of Companions being between 41 years and 59 years old. During the Year we are proud that 4 Companions moved on to Independent living with sustainable jobs and homes.

The Staff and Companions were disappointed this year that they were unable to hold their Annual Celebrations Evening or our Summer Garden party for our key stakeholders. We did however maintain our communications to our stakeholders through e-commerce routes to keep them abreast of our progress during the pandemic and our evolving financial position during these unprecedented times.

The imposed lockdowns during the pandemic, crystallised the importance of work experience for our Companions and the impact it had on their mental health and wellbeing, when they were unable to operate as normal. We also recognised that with our growing Companion base moving into the new Lupton Rooms, that we would need offer a wider choice of work experience opportunities. To this end and despite the challenges of the pandemic, we announced our ambition to build a Repair Shop in our grounds in August 2020.

The Repair Shop campaign for the construction of the building was set at £75k including vat and a further £25k was identified for the procurement of machinery and tools. We secured all of the funding for the construction element of the Repair Shop within the financial year and started the build in the spring of 2021.

We believe the Repair Shop will deliver not only Companion work experience but will benefit our Community with additional income and enhancements in our environmental activities. The Repair Shop services will include our ability to refurbish and recycle old furniture whilst producing new furniture from recycled wood.

We are most grateful for the support of local organisations, grant holders and individual donors who generously sponsored this project and ensured that it is fully funded.

Losing our retail operations for half of the year forced us to review the support we provide our Companions and turn the free time that was available to our advantage. During this period we set up computer access for all our Companions and placed them on a programme of on-line training courses. These included courses such as health & safety, fire awareness, customer services and food hygiene. We also helped a number of our Companions with their driving theory tests. This helped us deliver over 1,000 hours of Companion training in the year. We also set up for Companions an onsite gym and encouraged Companions to develop our garden to provide additional produce.

Whilst this programme was going on, in parallel we had to protect our Companions from COVID-19 and ensure we kept up to-date with the evolving risks. We are pleased to say that no Companion COVID cases during this year and everyone stayed healthy.

With our normal sources of income decimated and our planning assumptions forecasting that the pandemic was practically going to impact our organisation until the summer of 2021, we set about developing a cash generation plan and that programme is reflected in our financial accounts presented.

**EMMAUS HAMPSHIRE
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021**

Social Enterprise.

During the Year overall store income was £171k (2020 - £317k). Our Winchester store delivered sales of £103k (2020 - £200k), Eastleigh sales were £39k (2020- £57k) and Southampton sales of £29k (2020 - £60k). It should be noted that unlike other Charity retailers we do not employ store managers, van drivers or a warehouse manager. All of 2021's performance was managed entirely by our Companions volunteering in our Social Enterprise. The Board of Trustees would like to place on record their appreciation of the Companions positive contribution in 2021 and the significant financial income they have generated from all of our activities during this challenging time.

Fundraising

Emmaus Hampshire's strategic aims include our commitment to only actively fundraise for specific assets and activities. We are however most grateful for all donations and ensure that they are allocated to specific activities when donors kindly send us their donations. This year our fundraising income driven by our Repair Shop Campaign and our Lockdown Funding Campaigns, generated £202k (2020- 430k which included grants for project 40@20 our 8 studio room extension), to ensure the projects were fully funded and our reserves are protected.

We also ensured that we received all of the local government COVID support that was on offer during the year.

Solidarity - Companions Supporting the Less Fortunate

Emmaus started in France shortly after the Second World War, when homelessness was a big issue. One night, a man called Georges was brought to Abbé Pierre after a failed suicide attempt. He turned to the Abbé for help, but instead Abbé Pierre asked Georges to help him, building houses for the homeless mothers who came looking for his support. Georges became the first Emmaus Companion, living with Abbé Pierre and helping him to build temporary homes for those in need. Georges later said: "Whatever else he might have given me - money, home, somewhere to work - I'd have still tried to kill myself again. What I was missing, and what he offered, was something to live for."

While we are not helping people build houses the tradition of helping others locally, nationally and internationally who are less fortunate and able than our own Companions, continues to be an important element of the Emmaus Community. We are very proud that during the Year our Companions delivered a number of projects despite COVID and led over 20 projects at a value of £11k to the local community in goods and services.

**EMMAUS HAMPSHIRE
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021**

FINANCIAL REVIEW

Against the background of economic challenges created by COVID, the Trustees are satisfied with the financial position of the charity at the end of this financial year. The level of donations and grants received during the year was £202k (2020 - £430k). Social enterprise income was £171k (2020 - £317k).

Charitable activity expenditure was £625k (2020 - £613k). Further details on charitable activity expenditure are shown in the notes to the financial statements and under the relevant charitable activity headings in the Trustees report.

The overall result was a deficit of £57k (2020 surplus - £329k).

The Trustees believe the Statement of Financial Affairs (SOFA) shows a strong performance by Emmaus Hampshire which provides a solid platform to support the future activities and expansion of the Community.

RESERVES

Restricted Reserves

Restricted Reserves are funds where the donor has specified to the charity the purpose for which they would like their gift used.

Free Reserves

Free Reserves available for use by the Charity are deemed to be those that are readily realisable, less funds whose use is restricted or designated for particular purposes. Thus, the calculation of Free Reserves excludes fixed assets that continue to be used in the day-to-day operation of the Charity.

As a matter of policy, the Trustees regularly review the value of the reserves required to be held in cash and cash equivalents not restricted to or designated for any particular purpose. The Trustees have set a minimum target level of reserves of £200,000. This will enable the Charity to meet its operating expenses for a period of at least 4 months should there be a downturn in income for the charity.

At 30 June 2021 the General Reserve was £242k (2020 £338k). Running costs include all staff salaries and other costs associated with administering the charity and its funds.

The Fixed Asset Fund represents the net book value of fixed assets which have been purchased with unrestricted funds. This reserve is locked into the value of fixed assets and the value can be released only if they are sold.

RISK MANAGEMENT

Emmaus Hampshire's approach to risk management is designed to ensure that it remains alert to those external and internal factors that could affect its ability to operate effectively, or even at all. The work of establishing the risks facing Emmaus Hampshire and ensuring suitable mitigating action is being taken is reviewed regularly by the Management and Trustees. Further information on risk management can be found in the Trustees' Statement on Governance.

**EMMAUS HAMPSHIRE
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021**

FUTURE PLANS & DEVELOPMENTS

To support the delivery of our new strategic plan which was developed for 2020-2025, we aim in the next 12 months to -:

- Maintain our cash generation focus and consolidate our activities so that we can be ready to expand our activities in a COVID free world
- Maximise our occupancy levels post COVID-19 lockdown, utilising our new studio flats to full effect
- Launch the Repair Shop operationally.
- Develop an on-line presence to reach out to lost customers through COVID.
- Monitor the retail market place and be ready to respond to any potential sites as they materialise.
- Continue to identify and apply for grants which will help our Companions' development and lead them to an Independent lifestyle.
- Deliver a further 20 solidarity projects in the local community this year.

AND FINALLY.

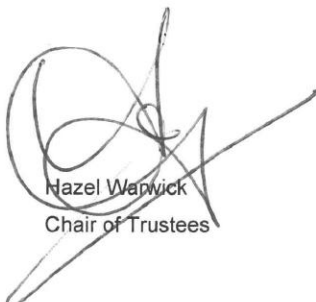
The Board of Trustees of Emmaus Hampshire would like to congratulate all the Companions for their remarkable success in 2021 and for the fortitude and flexibility that they have exhibited during COVID lockdown. Their compassion and empathy for their fellow Companions has been outstanding during the most difficult of times.

The Trustees value the amazing contribution made by all of our Volunteers who have continued to give their time and expertise to support the community and our fundraising and support plans, throughout these difficult times.

The Trustees also wish to recognise the leadership of the management team and express their appreciation for the dedication and professionalism of Karen Kay, Lynn Unsted, Jake Paine, Trevor Edwards and John Stroulger. They have guided and supported the Companions' to such remarkable success in 2021, during the COVID lockdown, maintaining a positive can do approach, responding to every new challenge with a supportive team approach.

We are very fortunate to have a remarkable team of people who, led by Our Chief Executive Nigel Samuels have delivered a remarkable performance in 2021 in such challenging circumstances. This has been a year of success, not measured in pounds, but by the success of the community in working together to stay strong, focused and ready to move forward to the next challenge.

This report, incorporating the Strategic Report, was approved by the Board of Trustees in their capacity as Company directors on November 25th 2021 and signed on their behalf by



Hazel Warwick
Chair of Trustees

EMMAUS HAMPSHIRE
TRUSTEES' STATEMENT ON GOVERNANCE
FOR THE YEAR ENDED 30 JUNE 2021

Governance

The Charity is governed by its Memorandum and Articles of Association adopted on 7 June 1999. The Board of Trustees is responsible for the overall governance of the Charity and meets at least four times a year. The Chief Executive (CEO) is responsible for the day-to-day management of the Charity's affairs and for implementing policies agreed by the Trustees.

Trustee Selection, Induction and Appraisal

Under the Charity's Articles and Memorandum of Association the Trustees may at any time co-opt any person duly qualified to be appointed as a Trustee to fill a vacancy in their number or as an additional Trustee. In seeking potential appointees the Board look for individuals who are appropriate to the skills and experience needed by the board and reflect the work of the Charity in pursuit of its charitable purposes.

At each Annual General Meeting one-third of the Trustees, or the number nearest to one-third, must retire from office. The Trustees to retire by rotation shall be those who have been longest in office since their last appointment. Any co-opted Trustee holds office only until the next AGM when they may be re-appointed. The minimum number of Trustees is 3 and there is no limit to the number of Trustees or to how many times a Trustee may be appointed.

Induction and training of new Trustees includes providing them with copies of the charity's governing documents and Trustee Manual as well as "The Essential Trustee: What you need to know" (Charity Commission publication CC3). Trustees are hopefully familiar with the work of the charity already but any extra information necessary is provided, and they will be shown around the principal office and introduced to the staff.

New Trustees are required to declare in writing any existing or potential conflicts of interest.

Statement of Trustees' Responsibilities and Corporate Governance

The Trustees are responsible for their annual report and for the preparation of financial statements for each financial year in accordance with applicable law and United Kingdom Accounting Standards.

Company and Charity law require 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 which give a true and fair view of the incoming resources and application of those resources of the Charity for that year, and of the state of affairs as at the end of the financial year.

In preparing these statements, the Trustees are required to select suitable accounting policies, as described in the financial statements, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable and conform to the methods and principles of the Charities SORP. The Trustees must also prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue.

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems and controls, financial and otherwise. They are also responsible for ensuring that the Charity keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable the financial statements to comply with Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and for their proper application as required by Charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide assurance that:

- The Charity is operating efficiently and effectively;
- All assets are safeguarded against unauthorised use or disposition and are properly applied;
- Proper records are maintained and financial information used within the Charity, or for publication, is reliable;
- The Charity complies with relevant laws and regulations.

In so far as the Trustees are aware:

- There is no relevant information of which the Charity's independent examiners are unaware; and
- The Trustees have taken all steps that they ought to have taken to make them aware of any relevant information and to establish that the examiners are aware of that information.

EMMAUS HAMPSHIRE
TRUSTEES' STATEMENT ON GOVERNANCE
FOR THE YEAR ENDED 30 JUNE 2021

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and appropriate management information is prepared and reviewed regularly by both the executive management and the Trustees. The systems of internal controls are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- Regular consideration by the Trustees of financial results and non-financial performance indicators;
- Delegation of day-to-day management authority and segregation of duties; and
- Identification and management of risks.

Matters Reserved to the Trustees

The following matters are specifically reserved for approval by the Trustees:

- Any proposal to amend the Memorandum and Articles of Association; Instruments and Rules of Government; Accounting Reference Date or material accounting policies;
- Any decision to bring or defend legal action in a civil case;
- Response to criminal charges/allegations of criminal activity which have connection with the Charity;
- Expansion of activities beyond core business;
- Formation of a subsidiary;
- Establishment or amendment to pension schemes;
- Approval of Annual Report, Accounts & financial statements including setting of reserve allocations;
- Investment management policies;
- Cash management policies (including approved list of counter-parties);
- Any contract with any Trustee or member of senior management or with any person or entity connected with any of them;
- Opening of new banking relationship; and
- Receipt of gifts from a potentially undesirable donor.

Risk Management

Serious risks can have a major impact on the ability of a charity to fulfill its charitable aims causing disruption to the business or, at the most extreme, cause significant financial loss. The Board of Trustees are responsible for the overall running of the charity and need to be aware of the risks to the business and the processes that are in place to mitigate them. Risk assessment provides a framework for the Board of Trustees of Emmaus Hampshire to identify potential risks to which the organisation is exposed and how these can be and are being mitigated.

The Trustees have a formal risk management process to assess risks and to implement risk management strategies. A risk assessment is carried out by the Chief Executive on behalf of the Trustees, and then reviewed by the Trustees. Risks are identified and assessed for impact and probability and an action plan to control the major risks is prepared.

The risk analysis covers four major areas: compliance, financial, operational and macroeconomic. Failure to comply with any of the legislation covering the charity would have serious implications; the Trustees have a close working relationship with the charity's legal and professional advisors to help mitigate this risk.

This statement on governance was approved by the Board of Trustees in their capacity as Company directors on 25th November 2021 and signed on their behalf by



Hazel Wapwick
Chair of Trustees

Emmaus Hampshire

Independent Examiner's Report to the trustees of Emmaus Hampshire

Independent Examiner's Report to the Trustees of Emmaus Hampshire

I report to the charity trustees on my examination of the accounts of the company for the year ended 30 June 2021 which are set out on pages 12 to 23.

Responsibilities and basis of report

As the charity 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 company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

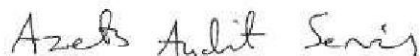
Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales (ICAEW), 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 that in any material respect:

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.



Oliver Rowe FCA

Azets Audit Services
Chartered Accountants
Secure House
Lulworth Close
Chandlers Ford
Hampshire
SO53 3TL

Date: 20 January 2022

EMMAUS HAMPSHIRE
STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure account)
FOR THE YEAR ENDED 30 JUNE 2021

| | Note | Unrestricted Funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ | Total Funds 2020 £ |
|---|----------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| INCOME | | | | | |
| Incoming Resources | | | | | |
| Donations and grants | | 123,507 | 78,750 | 202,257 | 430,699 |
| Incoming resources from charitable activities | 3 | 388,233 | - | 388,233 | 545,595 |
| Investment income | 4 | 43 | - | 43 | 957 |
| TOTAL INCOMING RESOURCES | | 511,783 | 78,750 | 590,533 | 977,251 |
| RESOURCES EXPENDED | | | | | |
| Costs of generating voluntary income | | 22,670 | - | 22,670 | 34,117 |
| Charitable activities | | 589,887 | 34,902 | 624,789 | 613,467 |
| TOTAL RESOURCES EXPENDED | 5 | 612,557 | 34,902 | 647,459 | 647,584 |
| NET MOVEMENT IN FUNDS FOR YEAR | | (100,774) | 43,848 | (56,926) | 329,667 |
| RECONCILIATION OF FUNDS: | | | | | |
| TOTAL FUNDS AT 1 JULY 2020 | | 1,331,887 | 1,739,059 | 3,070,946 | 2,741,279 |
| TOTAL FUNDS AT 30 JUNE 2021 | | 1,231,113 | 1,782,907 | 3,014,020 | 3,070,946 |

There are no gains or losses other than those shown in the Statement of Financial Activities above.

The figures for 'Total Resources Expended' above do not include expenditure on capital items. During the year ended 30 June 2021 capital expenditure was £46,451 (2020 - £280,110) and this is shown in the movements in fixed assets under note 6.

There were no acquisitions of other undertakings during the accounting year and all operations were classed as continuing.

The notes on pages 15 to 23 form part of these financial statements.

EMMAUS HAMPSHIRE
BALANCE SHEET AS AT 30 JUNE 2021

| | Note | 2021 | 2020 |
|-------------------------------------|------|------------------|------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 6 | 2,724,897 | 2,722,290 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 4,223 | 4,314 |
| Cash at bank and in hand | | 472,075 | 524,930 |
| | | <u>476,298</u> | <u>529,244</u> |
| LIABILITIES | | | |
| Amounts falling due within one year | 8 | (128,401) | (102,766) |
| NET CURRENT ASSETS | | <u>347,897</u> | <u>426,478</u> |
| LIABILITIES | | | |
| Amounts falling due after one year | 9 | (58,774) | (77,822) |
| NET ASSETS | | <u>3,014,020</u> | <u>3,070,946</u> |
| THE FUNDS OF THE CHARITY | | | |
| RESTRICTED FUNDS | 10 | 1,782,907 | 1,739,059 |
| UNRESTRICTED FUNDS | | | |
| Designated funds | 12 | 989,045 | 993,004 |
| General reserve | | 242,068 | 338,883 |
| | | <u>1,231,113</u> | <u>1,331,887</u> |
| TOTAL CHARITY FUNDS | | <u>3,014,020</u> | <u>3,070,946</u> |

For the financial year ended 30 June 2021, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Trustees on November 25th 2021

H Warwick

Chair of Trustees

Company registration number: 03783294

The notes on pages 15 to 23 form part of these financial statements.

EMMAUS HAMPSHIRE
CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2021

| CASH FLOW STATEMENT | | 2021 | 2020 |
|---|-------------|-------------|-------------|
| | Note | Year | Year |
| | | £ | £ |
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | A | 20,544 | 432,100 |
| | | <hr/> | <hr/> |
| Cash flows from investing activities | | | |
| Interest receivable | | 43 | 957 |
| Proceeds of sale of fixed assets | | - | 417 |
| Purchase of fixed assets | | (46,451) | (280,110) |
| | | <hr/> | <hr/> |
| | | (46,408) | (278,736) |
| | | <hr/> | <hr/> |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | (27,000) | - |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | (52,854) | 153,364 |
| Cash and cash equivalents at 1 July 2020 | | 524,929 | 371,566 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at 30 June 2021 | B | 472,075 | 524,930 |
| | | <hr/> | <hr/> |
| A RECONCILIATION OF NET INCOME TO | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | £ | £ |
| Net income as per SOFA | | (56,926) | 329,667 |
| Depreciation charges | | 43,844 | 45,932 |
| Interest receivable | | (43) | (957) |
| Loss on disposal of fixed assets | | - | 4,236 |
| (Increase) / decrease in debtors | | (91) | 41,701 |
| (Decrease) / increase in creditors | | 33,770 | 11,521 |
| | | <hr/> | <hr/> |
| | | 20,544 | 432,100 |
| | | <hr/> | <hr/> |
| B ANALYSIS OF CASH AND CASH EQUIVALENTS | | | |
| | | £ | £ |
| Cash in hand | | 472,075 | 524,930 |
| | | <hr/> | <hr/> |

The notes on pages 15 to 23 form part of these financial statements.

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

a) Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis and under the historical cost convention. They comply with the Statement of Recommended Practice (SORP) FRS 102, 'Accounting and Reporting by Charities' issued in October 2019 together with the reporting requirements of the Financial Reporting Standard applicable in the UK (FRS 102) and the Companies Act 2006.

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

b) Critical accounting estimates and judgements

In the application of the Charity's accounting policies, which are described in this note, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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 if the revision affects only that period. Significant areas of estimate and judgement include the remaining useful life of assets and valuation of gifts in kind. The principal accounting policies adopted, and judgements are noted below.

c) Currency

The functional currency of the charity is sterling.

d) Income

Income from donations, sales, housing benefit and other sources is recognised on an accruals basis and included in the SOFA when the Charity is entitled to the income, when receipt is probable and when it can be measured reliably.

Gifts in kind are recognised in different ways dependent on how they are used by the charity:

- (i) Those donated for resale produce income when they are sold. They are valued at the amount actually realised.
- (ii) Those donated for onward transmission to beneficiaries are included in the statement of financial activities as incoming resources and resources expended when they are distributed. They are valued at the amount the charity would have had to pay to acquire them.
- (iii) Those donated for use by the charity itself are included when receivable. They are valued at the amount the charity would have had to pay to acquire them.
- (iv) The contribution of volunteers is excluded from the SOFA as the value of their contribution to the Charity cannot be reasonably quantified in financial terms.

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate. Income from charitable activities includes income recognised as earned.

e) Allocation of Expenditure

Revenue and capital expenditure is dealt with on an accruals basis inclusive of irrecoverable VAT, where applicable. Emmaus Hampshire directly attributes expenditure in so far as is possible and on an accruals basis.

f) Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

f) Resources expended (cont)

Cost of generating funds

Costs of generating funds are the costs associated with attracting voluntary income.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, staff costs by the time spent and other costs by their usage.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

g) Fixed Assets

The cost of tangible fixed assets includes those costs which are directly attributable to purchasing the assets and bringing them into working condition. The charity capitalises refurbishment costs and any associated capital expenditure where such work provides new facilities (once brought into use). Normal repairs and maintenance costs are taken to revenue in the year of expenditure.

Depreciation is provided at the following rates to write off the cost of Emmaus Hampshire's fixed assets over their estimated useful economic lives once brought into use: -

| | |
|---|--|
| Leasehold Property | 1% straight line basis |
| Furniture, Fixtures and Equipment, including computer equipment | 33% straight line and 25% reducing balance |
| Motor vehicles | 25% reducing balance |

Emmaus Hampshire's capitalisation policy is to transfer to the balance sheet only capital assets with a value in excess of £1,000.

h) Fund Accounting

Funds held by the charity are:

Unrestricted funds – consists of the general fund and any designated funds. The general fund represents funds held by the charity which can be used in accordance with the charitable objects at the discretion of the trustees and which have not been designated for other purposes. Designated funds represent funds that have been earmarked by the Trustees for specific purposes and therefore held separately from general unrestricted funds.

Restricted funds – these are funds that can only be used for the particular restricted purposes which have been imposed by the donor or which have been raised by the charity for particular purposes.

i) Financial Instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Financial assets measured at amortised cost comprise of cash at bank and in hand with trade and other debtors excluding prepayments.

Financial liabilities measured at amortised cost comprise all creditors excluding deferred income and tax and social security balances outstanding at year end.

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. COMPARATIVE FIGURES

| | Unrestricted Funds 2020 £ | Restricted Funds 2020 £ | Total Funds 2020 £ |
|---|------------------------------------|----------------------------------|-----------------------------|
| Incoming Resources | | | |
| Donations | 178,235 | 252,464 | 430,699 |
| Incoming resources from charitable activities | 545,595 | - | 545,595 |
| Investment income | 957 | - | 957 |
| Total incoming resources | 724,787 | 252,464 | 977,251 |
| Resources Expended | | | |
| Costs of generating voluntary income | 34,117 | - | 34,117 |
| Charitable activities | 570,572 | 42,895 | 613,467 |
| Total resources expended | 604,689 | 42,895 | 647,584 |
| NET MOVEMENT IN FUNDS FOR YEAR | 120,098 | 209,569 | 329,667 |

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds Year £ | Restricted Funds Year £ | Total 2021 Year £ | Total 2020 Year £ |
|-------------------------------|------------------------------------|----------------------------------|----------------------------|----------------------------|
| Sales of donated goods | 171,444 | - | 171,444 | 317,381 |
| Income from housing & support | 216,789 | - | 216,789 | 228,214 |
| | 388,233 | - | 388,233 | 545,595 |

4. INVESTMENT INCOME

| | Unrestricted Funds Year £ | Restricted Funds Year £ | Total 2021 Year £ | Total 2020 Year £ |
|---------------------|------------------------------------|----------------------------------|----------------------------|----------------------------|
| Interest receivable | 43 | - | 43 | 957 |

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

5. TOTAL RESOURCES EXPENDED

| | Activities directly undertaken | Support Costs | Total 2021 | Total 2020 |
|-------------------------------------|---|--------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Expenditure on Raising Funds | | | | |
| Fundraising | 2,768 | 19,902 | 22,670 | 34,117 |
| Total Cost of Raising Funds | 2,768 | 19,902 | 22,670 | 34,117 |
| Charitable Expenditure | | | | |
| Housing & Support | 243,726 | 79,378 | 323,104 | 325,935 |
| Social enterprise | 221,050 | 80,635 | 301,685 | 287,533 |
| Total Charitable Expenditure | 464,776 | 160,013 | 624,789 | 613,467 |
| Total Resources Expended | 467,544 | 179,915 | 647,459 | 647,584 |

The average number of paid persons employed by Emmaus Hampshire during the year was as follows:

Staff Numbers

| 2021 | 2020 |
|-------------|-------------|
| Year | Year |
| 7 | 6 |

The costs of these staff were as follows:

| | 2021 | 2020 |
|--------------------|----------------|----------------|
| | Year | Year |
| | £ | £ |
| Wages and Salaries | 206,951 | 179,370 |
| Social Security | 14,058 | 13,635 |
| Pensions | 9,232 | 8,082 |
| | 230,241 | 201,087 |

One staff member's emoluments exceeded £60,000 in this year (2020: none). The total emoluments paid to key management personnel during the year amounted to £63,078 (2020 - £56,700). This relates to the Chief Executive and includes a one off bonus for an exceptional year.

The Trustees received no remuneration for their services as Trustees during the year. The Trustees received expenses totalling £nil for travel costs during this year (2020: one Trustees received a total £20 in expenses).

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

5. TOTAL RESOURCES EXPENDED (Continued)

Analysis of Support Costs

| Support cost | Raising funds £ | Housing & support £ | Social enterprise £ | Total 2021 £ | Total 2020 £ | Basis of allocation |
|------------------------------------|--------------------|------------------------|------------------------|-----------------|-----------------|--|
| Governance | 1,274 | 5,734 | 5,734 | 12,742 | 6,588 | Percentage of time spent on each activity |
| Finance & IT | (137) | (12,043) | (10,786) | (22,966) | 19,012 | Usage by direct expenditure |
| Facilities | - | 29,395 | 29,395 | 58,790 | 46,146 | By area, based on area employed on activity |
| Human resources and administration | 18,765 | 56,292 | 56,292 | 131,349 | 104,068 | Per capita, based on number of people employed on activity |
| Activity total 2021 | 19,902 | 79,378 | 80,635 | 179,915 | | |
| Activity total 2020 | 18,628 | 87,674 | 69,513 | | 175,814 | |

Total independent examiners' remuneration is made up as follows:

| | | |
|-----------------|-------------------|-------------------|
| Examiner's fees | 2021 Year £ | 2020 Year £ |
| | 4,300 | 4,025 |

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

6. TANGIBLE FIXED ASSETS

| Cost | Opening Balance | Additions | Disposals | Closing Balance |
|--|----------------------------|------------------|------------------|----------------------------|
| | £ | £ | £ | £ |
| Long leasehold and other interests in land and buildings | 3,252,552 | 45,324 | - | 3,297,876 |
| Furniture, fixtures and equipment | 71,513 | 1,127 | - | 72,640 |
| Motor vehicles | 52,649 | - | - | 52,649 |
| | <u>3,376,714</u> | <u>46,451</u> | <u>-</u> | <u>3,423,165</u> |

| Depreciation | Opening Balance | Charge for Year | On Disposals | Closing Balance |
|--|----------------------------|----------------------------|-------------------------|----------------------------|
| | £ | £ | £ | £ |
| Long leasehold and other interests in land and buildings | 563,581 | 32,744 | - | 596,325 |
| Furniture, fixtures and equipment | 61,863 | 5,183 | - | 67,046 |
| Motor vehicles | 28,980 | 5,917 | - | 34,897 |
| | <u>654,424</u> | <u>43,844</u> | <u>-</u> | <u>698,268</u> |

| Net Book Value | Opening Balance | Closing Balance |
|--|----------------------------|----------------------------|
| | £ | £ |
| Long leasehold and other interests in land and buildings | 2,688,971 | 2,701,551 |
| Furniture, fixtures and equipment | 9,650 | 5,594 |
| Motor vehicles | 23,669 | 17,752 |
| | <u>2,722,290</u> | <u>2,724,897</u> |

| 7. DEBTORS | 2021 | 2020 |
|-------------------|--------------|--------------|
| | £ | £ |
| Other debtors | 1,173 | 343 |
| Prepayments | 3,050 | 3,971 |
| | <u>4,223</u> | <u>4,314</u> |

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| 8. CREDITORS (amounts due within one year) | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| Trade creditors | 8,370 | 7,737 |
| Taxation and Social Security | 2,896 | 3,052 |
| Other creditors | 31,139 | 37,410 |
| Accruals and deferred income | 85,996 | 54,567 |
| | <u>128,401</u> | <u>102,766</u> |

| 9. CREDITORS (amounts falling due after one year) | 2021 | 2020 |
|--|---------------|---------------|
| | £ | £ |
| Other creditors | 58,774 | 77,822 |
| | <u>58,774</u> | <u>77,822</u> |

Included in other creditors is a balance of £85,774 (2020 - £112,752) repayable by instalments of £27,000 per annum. This balance includes £27,000 due for repayment in less than one year. Interest is charged on the loan at 7% per annum.

| 10. RESTRICTED FUNDS | Balance | Incoming | Balance |
|--|--------------------|------------------------------|---------------------|
| | 1 July 2020 | Resources Expenditure | 30 June 2021 |
| | £ | £ £ | £ |
| Building Fund | 1,337,820 | - (28,156) | 1,309,664 |
| Extension Fund | 75,293 | - (1,256) | 74,037 |
| Vehicle Fund | - | - - | - |
| Training Fund | 2,773 | - (2,773) | - |
| Project 40@20 (Incorporating Building fund 2018) | 323,173 | - (2,717) | 320,456 |
| Repair shop | - | 78,750 - | 78,750 |
| | <u>1,739,059</u> | <u>78,750 (34,902)</u> | <u>1,782,907</u> |

Where donations are received for particular items of expenditure, such amounts are credited to Emmaus Hampshire's restricted funds. Expenditure paid directly out of the restricted funds are shown under Expenditure.

Building Fund

Emmaus Hampshire received various donations that were ring-fenced for the construction of the building. In 2009/10 £150,000 was received from Winchester City Council in this respect. Depreciation is charged against this fund.

Extension Fund

Emmaus Hampshire received various donations that were ring-fenced for the extension of the building. Depreciation is charged against this fund.

Vehicle Fund

Emmaus Hampshire received various donations that were ring-fenced for the purchase of new vehicles for use by the charity. Depreciation is charged against this fund.

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Training Fund

Emmaus Hampshire received various donations that were ring-fenced to provide training for companions.

Project 40@20 (Incorporating Building fund 2018)

Emmaus Hampshire received various donations that were ring-fenced for the development of additional accommodation for companions. Depreciation is charged against this fund.

Repair shop

Emmaus Hampshire received various donations that were ring-fenced for the development of a repair shop. Depreciation is charged against this fund once brought into use.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds | Restricted Funds | Total Funds | Total Funds |
|-------------------------|-----------------------|---------------------|------------------|------------------|
| | 2021 | 2021 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Tangible fixed assets | 941,990 | 1,782,907 | 2,724,897 | 2,722,290 |
| Net current assets | 347,897 | - | 347,897 | 426,478 |
| Long term liabilities | (58,774) | - | (58,774) | (77,822) |
| Total net assets | 1,231,113 | 1,782,907 | 3,014,020 | 3,070,946 |

12. DESIGNATED FUNDS

| | Balance at 1 July 2020 | Designated in Year | Utilised in Year | Balance at 30 June 2021 |
|-------------------------------|------------------------------|--------------------------|------------------------|-------------------------------|
| | £ | £ | £ | £ |
| Fixed asset fund | 986,004 | 7,756 | (11,715) | 982,045 |
| IT fund | 7,000 | - | - | 7,000 |
| Total designated funds | 993,004 | 7,756 | (11,715) | 989,045 |

The fixed asset fund represents the net book value of the tangible fixed assets held for charitable purposes less any restricted funds held for assets. Since this fund represents existing fixed assets it cannot be converted easily into cash and therefore cannot be used to fund other activities.

The IT fund represents money set aside by the Trustees towards the finance of planned major improvements to information and communication systems to ensure the Charity's systems remain up to date and fit for purpose.

13. CONTINGENT LIABILITIES

In the event of the Winchester building no longer being used by Emmaus Hampshire for the charitable purpose for which it was constructed A2 South Limited have the option to purchase the building at its market value.

14. FUTURE COMMITMENTS

Emmaus Hampshire entered into a 125 year lease on the land in which the community building is situated on which a peppercorn rent is payable.

A2 South Limited hold a 60 year underlease for the residential part of the building for which no rent is due to Emmaus Hampshire for the full term of the lease.

**EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

16. TAXATION STATUS

Emmaus Hampshire is a registered charity and no Corporation Tax is payable on its charitable income.
Emmaus Hampshire is registered for VAT and expenditure is shown exclusive of VAT where reclaimable.

17. SHARE CAPITAL

Emmaus Hampshire has no share capital and is limited by guarantee. The liability of each member in the event of a winding up, as stated in the Memorandum and Articles of Association, is limited to £1.

18. CONTROLLING PARTY

Emmaus Hampshire is controlled by the Trustees.

19. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period