

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 2023

EMMAUS HAMPSHIRE
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EMMAUS HAMPSHIRE
TRUSTEES, OFFICERS AND PROFESSIONAL ADVISERS

President

Alison Thompson, MBE

Vice Presidents

Tony Burton

Anita Clark

Trustees

Hazel Warwick

Catherine Harris

Gareth Roberts

John Conyngham

John McKenna

Jonathan Sutcliffe

Chair of Trustees

Treasurer

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

Independent Examiners:

Azets
Secure House
Lulworth Close
Chandlers Ford
Hampshire
SO53 3TL

**EMMAUS HAMPSHIRE
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023**

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 2023 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 to 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-wares.

** 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
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FOR THE YEAR ENDED 30 JUNE 2023**

Key Strategic Aims 2023-27

Create More Homes- 1

Aim to serve a minimum of 40 Companions and be prepared to accept tactical opportunities to house further Companions, whilst ensuring our solidarity programme underpins our support to reduce those who are socially excluded.

Making our Social Enterprise More Sustainable – 2

We aim to expand our retail space (square footage) and introduce a segmented choice of products and services depending on the individual location, which will support our mission in homelessness, social exclusion and the pro-active participation in environmental change.

Shout Louder! (Build our Brand) - 3

Double our brand recognition to 20% spontaneous awareness, through the promotion of low-cost housing solutions, reducing social exclusion and proactively participating in environmental change.

Deliver a Companions/Housing Quality Standards Programme -4

We will deliver a high standard of Companion care and development utilising a new quality standards and oversight programme which will be accredited by the MHCLG.

Develop an Organisational Development Programme (ODM) - 5

We will map our processes to match our five-year plan and build our technology and people requirements around these processes mapped to a route map. We will review our Kudos Epos system, integrate the EUK sponsored Charity Log CRM system and find smart ways of working.

Build an Environmentally Focused & Active Organisation - 6

Deliver our Mission through a sustainable environmental model which will increase income through maximising our recycling and reducing our running costs, whilst providing opportunities for both Companions and customers.

Deliver a Wide Range of Activities to Address Social Exclusion – 7

We aim to support those most at 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.

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 continues to be a challenging operating environment.

Emmaus Hampshire currently employs 7 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.

EMMAUS HAMPSHIRE
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023

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.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR ENDED 30 JUNE 2023

These accounts show an organisation that has now moved past the impact of Covid and re-established itself in the eyes of its customers and supporters.

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 exceeds our previous record with 34 Companions residing. 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 3 Companions moved on to independent living with sustainable jobs and homes.

The Staff and Companions were delighted that they were able once again to hold their Annual Celebrations Evening and Summer Garden party for our key stakeholders. Four Companions Won the Tessa Till award for their outstanding contributions to the Community.

This financial year saw the official opening of the Recycling Centre within the Community. The idea for the Recycling Centre was entirely the Companions. Thanks to a generous benefactor, we were able to turn a conceptual idea into a working operation within 4 months. The Recycling Centre allows the Companions to generate income from the recycling of metal, copper, aluminium, books and cardboard. The Companion's initiative was so successful that we achieved a payback on our investment within 6 months. A special mention should go to Companions John, Alan and Jaimie for driving this concept.

Our Repair Shop facility goes from strength to strength and is producing a number of first-class furniture restoration and upcycling pieces, which helped our Winchester stores sales.

The Kitchen Development Centre which was opened in 2022 has provided us the opportunity to train more Companions in catering. This year 6 Companions were trained by an International Chef on a weekly basis to provide them the confidence and skills to cater for their fellow Companions. Furthermore, we are very proud that the Companions now provide a weekly soup run for the street homeless of Winchester.

The core work experience and income driver continue to be from our 3 retail sites. We are very proud of the fact that all our stores and our supporting logistics, is all managed by our Companions. We do not employ any retail management or staff within our operation and our success is entirely down to the dedication, passion and determination of our Companions.

We are now planning for our next 2 projects which are both based on our Companions development. The first project is to deliver a market garden on land outside of our community and the second one is to build a Wellbeing Centre within our community grounds.

We have seen a significant increase in new Companions arriving with mental health issues, which adds to our existing challenges of dealing with various addictions. Our 2 projects seek to address these issues given the lack of local and national investment in these areas. We believe by addressing these issues we have a much greater chance of returning our Companions to independent living.

**EMMAUS HAMPSHIRE
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023**

Social Enterprise

During the Year overall store income was £474.6k (2022 - £405.6). Our Winchester store delivered sales of £277.8k (2022 - £242.8k), Eastleigh sales were £107k (2022- £85k) and Southampton sales of £89.8k (2021 - £77.8k). We also generated through our Recycling and House Clearance Services an additional £44k. It should be noted that unlike other Charity retailers we do not employ store managers, van drivers or a warehouse manager. All of 2023's performance was managed entirely by our Companions working in our Social Enterprise. The Board of Trustees would like to place on record their appreciation of the Companions' positive contribution in 2023 and the significant financial income they have generated from all of our activities during this 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 generated £81k to ensure all our projects were fully funded and our reserves were protected.

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 over 20 projects at a value of £5k to the local community in goods and services.

FINANCIAL REVIEW

Against the background of economic challenges post 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 £136k (2022 - £276k). Social enterprise income was £474.6k (2022 - £405.6k). We also received £307.6k (2022 - £240.5k) in housing income.

Charitable activity expenditure was £875k (2022 - £944k). 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 surplus of £46k (2022 deficit £21.8k).

The Trustees believe the Statement of Financial Affairs (SOFA) 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.

**EMMAUS HAMPSHIRE
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023**

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.

As at the 30 June 2023 the General Reserve was £297k (2022 - £240k). 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.

FUTURE PLANS & DEVELOPMENTS

To support the delivery of our new strategic plan which was developed for 2023-2027, 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
- Maximise our occupancy levels, utilising our new studio flats to full effect
- Launch the Market Garden and Wellbeing Centre
- Monitor the retail market place and be ready to respond to any potential sites as they materialise.
- Continue to identify and apply for grants that 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 2023 and for the fortitude and flexibility that they have exhibited. Their compassion and empathy for their fellow Companions has been outstanding and their desire to see their social enterprise flourish is something to behold.

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, Ben Parkin and John Stroulger. They have guided and supported the Companions to such remarkable success in 2023, maintaining a positive can-do approach, responding to every new challenge with a supportive team approach.

This report, incorporating the Strategic Report, was approved by the Board of Trustees in their capacity as Company directors on the 23rd November 2023 and signed on their behalf by


Hazel Warwick
Chair of Trustees

EMMAUS HAMPSHIRE
TRUSTEES' STATEMENT ON GOVERNANCE
FOR THE YEAR ENDED 30 JUNE 2023

Governance

The Charity is governed by its Memorandum and Articles of Association adopted on 7 June 1999. In order to more closely align the objectives of Emmaus Hampshire with the wider EUK Emmaus community the Trustees amended the memorandum and articles of Association by special resolution on June 23rd 2022. These amendments were approved by the Charity Commission and registered by Companies House on September 15th 2022. 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 (who are also directors of Emmaus Hampshire 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).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

EMMAUS HAMPSHIRE
TRUSTEES' STATEMENT ON GOVERNANCE
FOR THE YEAR ENDED 30 JUNE 2023

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 a 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 the 23rd November 2023 and signed on their behalf by


Hazel Warwick
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 2023 which are set out on pages 11 to 22.

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 Association of Chartered Certified Accountants (ACCA), 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.


Jon Noble FCCA

For and on behalf of Azets Audit Services
Secure House
Lulworth Close
Chandlers Ford
Hampshire
SO53 3TL

Date: 30 November 2023

EMMAUS HAMPSHIRE
STATEMENT OF FINANCIAL ACTIVITIES (including the income and Expenditure account)
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME					
Incoming Resources					
Donations, grants and legacies		110,002	25,927	135,929	275,913
Incoming resources from charitable activities	3	782,147	-	782,147	646,143
Investment income	4	2,945	-	2,945	142
TOTAL INCOMING RESOURCES		895,094	25,927	921,021	922,198
RESOURCES EXPENDED					
Costs of generating voluntary income		31,098	-	31,098	22,966
Charitable activities		791,978	51,964	843,942	921,050
TOTAL RESOURCES EXPENDED	5	823,076	51,964	875,040	944,016
NET MOVEMENT IN FUNDS FOR YEAR		72,018	(26,037)	45,981	(21,818)
RECONCILIATION OF FUNDS:					
TOTAL FUNDS AT 1 JULY 2022		1,197,100	1,765,778	2,962,878	2,984,696
TOTAL FUNDS AT 30 JUNE 2023		1,269,118	1,739,741	3,008,859	2,962,878

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 2023 capital expenditure was £21,057 (2022 - £33,839) 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 14 to 22 form part of these financial statements.

EMMAUS HAMPSHIRE
BALANCE SHEET AS AT 30 JUNE 2023

	Note	2023	2022
		£	£
FIXED ASSETS			
Tangible assets	6	2,695,252	2,715,669
CURRENT ASSETS			
Debtors	7	21,296	52,911
Cash at bank and in hand		423,501	386,643
		<u>444,797</u>	<u>439,554</u>
LIABILITIES			
Amounts falling due within one year	8	(108,590)	(120,371)
NET CURRENT ASSETS		<u>336,207</u>	<u>319,182</u>
LIABILITIES			
Amounts falling due after one year	9	(22,600)	(71,973)
NET ASSETS		<u><u>3,008,859</u></u>	<u><u>2,962,878</u></u>
THE FUNDS OF THE CHARITY			
RESTRICTED FUNDS	10	1,739,741	1,765,778
UNRESTRICTED FUNDS			
Designated funds	12	972,044	956,891
General reserve		297,074	240,209
		<u>1,269,118</u>	<u>1,197,100</u>
TOTAL CHARITY FUNDS		<u><u>3,008,859</u></u>	<u><u>2,962,878</u></u>

For the financial year ended 30 June 2023, 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 23/4/23

H Warwick
Trustee

Company registration number: 03783294

The notes on pages 14 to 22 form part of these financial statements.

EMMAUS HAMPSHIRE
CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2023

CASH FLOW STATEMENT		2023	2022
	Note	Year	Year
		£	£
Cash flows from operating activities			
Net cash provided by operating activities	A	101,113	(24,735)
Cash flows from investing activities			
Interest receivable		2,945	142
Proceeds of sale of fixed assets		-	-
Purchase of fixed assets		(21,057)	(33,839)
		(18,112)	(33,697)
Cash flows from financing activities			
Repayment of borrowings		(46,143)	(27,000)
Change in cash and cash equivalents in the year		36,858	(85,432)
Cash and cash equivalents brought forward		386,643	472,075
Cash and cash equivalents carried forward	B	423,501	386,643
A RECONCILIATION OF NET INCOME TO			
CASH FLOW FROM OPERATING ACTIVITIES		£	£
Net surplus/(deficit) as per SOFA		45,981	(21,818)
Depreciation charges		41,474	43,067
Interest receivable		(2,945)	(142)
(Increase) / decrease in debtors		31,616	(48,688)
(Decrease) / increase in creditors		(15,013)	2,845
		101,113	(24,735)
B ANALYSIS OF CASH AND CASH EQUIVALENTS		£	£
Cash in hand		423,501	386,643

The notes on pages 14 to 22 form part of these financial statements.

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 of the charitable company, which is a public benefit entity, 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) (issued in October 2019) 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 accrual basis inclusive of irrecoverable VAT, where applicable.

Emmaus Hampshire directly attributes expenditure in so far as is possible and on an accrual 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 2023

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: -

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 2023

2. COMPARATIVE FIGURES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Incoming Resources			
Donations	85,913	190,000	275,913
Incoming resources from charitable activities	646,143	-	646,143
Investment income	142	-	142
Total incoming resources	<u>732,198</u>	<u>190,000</u>	<u>922,198</u>
Resources Expended			
Costs of generating voluntary income	22,966	-	22,966
Charitable activities	713,921	207,129	921,050
Total resources expended	<u>736,887</u>	<u>207,129</u>	<u>944,016</u>
NET MOVEMENT IN FUNDS FOR YEAR	<u>(4,689)</u>	<u>(17,129)</u>	<u>(21,818)</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds Year £	Restricted Funds Year £	Total 2023 Year £	Total 2022 Year £
Sales of donated goods	474,590	-	474,590	405,618
Income from housing & support	307,557	-	307,557	240,525
	<u>782,147</u>	<u>-</u>	<u>782,147</u>	<u>646,143</u>

4. INVESTMENT INCOME

	Unrestricted Funds Year £	Restricted Funds Year £	Total 2023 Year £	Total 2022 Year £
Interest receivable	2,945	-	2,945	142

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

5. TOTAL RESOURCES EXPENDED

	Activities directly undertaken £	Support Costs £	Total 2023 £	Total 2022 £
Expenditure on Raising Funds				
Fundraising	9,684	21,414	31,098	22,966
Total Cost of Raising Funds	9,684	21,414	31,098	22,966
Charitable Expenditure				
Housing & Support	374,902	94,352	469,254	597,548
Social enterprise	279,299	95,389	374,688	323,502
Total Charitable Expenditure	654,201	189,741	843,942	921,050
Total Resources Expended	663,885	211,155	875,040	944,016

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

Staff Numbers	
2023 Year	2022 Year
7	7

The costs of these staff were as follows:

	2023 Year £	2022 Year £
Wages and Salaries	250,360	204,617
Social Security	21,076	16,650
Pensions	18,718	9,744
	290,154	231,011

The number of employees who were paid salary and emoluments between £60,000 - £70,000 in the year was 1 (2022 – 1).

The Trustees received no remuneration for their services as Trustees during the year.

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

5. TOTAL RESOURCES EXPENDED (Continued)

Analysis of Support Costs

Support cost	Raising funds £	Housing & support £	Social enterprise £	Total 2023 £	Total 2022 £	Basis of allocation
Governance	2,807	12,632	12,632	28,071	14,494	Percentage of time spent on each activity
Finance & IT	-95	-3,695	-2,658	-6,448	60,932	Usage by direct expenditure
Facilities	-	29,308	29,308	58,616	54,391	By area, based on area employed on activity
Human resources and administration	18,702	56,107	56,107	130,916	96,070	Per capita, based on number of people employed on activity
Activity total 2023	21,414	94,352	95,389	211,155		
Activity total 2022	15,788	116,149	93,950		225,887	

Total independent examiners' remuneration is made up as follows:

Examiner's fees

2023	2022
Year	Year
£	£
7,500	5,215

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

6. TANGIBLE FIXED ASSETS

Cost	Opening Balance	Additions	Disposals	Closing Balance
	£	£	£	£
Long leasehold and other interests in land and buildings	3,331,715	-	-	3,331,715
Furniture, fixtures and equipment	72,640	21,057	(71,513)	22,184
Motor vehicles	52,649	-	-	52,649
	<u>3,457,004</u>	<u>21,057</u>	<u>(71,513)</u>	<u>3,406,548</u>

Depreciation	Opening Balance	Charge for Year	On Disposals	Closing Balance
	£	£	£	£
Long leasehold and other interests in land and buildings	629,070	39,997	-	669,067
Furniture, fixtures and equipment	71,451	603	(71,451)	603
Motor vehicles	40,814	812	-	41,626
	<u>741,335</u>	<u>41,412</u>	<u>(71,451)</u>	<u>711,296</u>

Net Book Value	Opening Balance	Closing Balance
	£	£
Long leasehold and other interests in land and buildings	2,702,645	2,662,648
Furniture, fixtures and equipment	1,189	21,581
Motor vehicles	11,835	11,023
	<u>2,715,669</u>	<u>2,695,252</u>

7. DEBTORS

	2023	2022
	£	£
Other debtors	6,820	38,131
Prepayments	14,476	14,780
	<u>21,296</u>	<u>52,911</u>

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8. CREDITORS (amounts due within one year)

	2023	2022
	£	£
Trade creditors	24,901	60,330
Taxation and Social Security	3,819	3,866
Other creditors	35,979	26,503
Accruals and deferred income	43,891	29,672
	<u>108,590</u>	<u>120,371</u>

9. CREDITORS (amounts falling due after one year)

	2023	2022
	£	£
Other creditors	22,600	71,973
	<u>22,600</u>	<u>71,973</u>

Included in other creditors is a balance of £48,121 (2022 - £94,265) repayable by instalments of £27,000 including interest per annum. This balance includes £25,522 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 2022	Resources	Expenditure	30 June 2023
	£	£	£	£
Building Fund	1,281,508	-	(28,156)	1,253,352
Extension Fund	72,781	-	(1,256)	71,525
Recycling Centre		15,900	(15,900)	-
Training Fund		10,027	(3,935)	6,092
Project 40@20 (Incorporating Building fund 2018)	317,739	-	(2,717)	315,022
Repair shop	93,750	-	-	93,750
	<u>1,765,778</u>	<u>25,927</u>	<u>(51,964)</u>	<u>1,739,741</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.

Recycling Centre

Emmaus Hampshire received a donation in the year for the development of the new recycling centre.

Training Fund

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

EMMAUS HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Project 40@20 (Incorporating Building fund 2018)

Emmaus Hampshire received various donations that were ring-fenced for the development of additional accommodation for companions.

Repair shop

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

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2023	2023	2023	2022
	£	£	£	£
Tangible fixed assets	955,511	1,739,741	2,695,252	2,715,669
Net current assets	336,207	-	336,207	319,182
Long term liabilities	(22,600)	-	(22,600)	(71,973)
Total net assets	1,269,118	1,739,741	3,008,859	2,962,878

12. DESIGNATED FUNDS

	Balance at	Designated	Utilised	Balance at
	1 July	in	in	30 June
	2022	Year	Year	2023
	£	£	£	£
Fixed asset fund	949,891	15,153	-	965,044
IT fund	7,000	-	-	7,000
Total designated funds	956,891	15,153	-	972,044

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 2023

15. 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.

16. 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.

17. CONTROLLING PARTY

Emmaus Hampshire is controlled by the Trustees.

18. RELATED PARTY TRANSACTIONS

During the year there were trustees expenses totalling £203 (2022 - £nil) for one trustee during the period.

