

Company registration number: 6429969

Charity registration number: 1123493

Emmaus Hastings and Rother

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 June 2021

Manningtons
Chartered Accountants
39 High Street
Battle
East Sussex
TN33 0EE

Emmaus Hastings and Rother

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Emmaus Hastings and Rother

Reference and Administrative Details

Trustees	M M Charlesworth A J Calton D J Cooper M F Edwards M V Brooke T R W Griffiths G Adamson G D Williams A D Pink
Principal Office	2 Whitworth Road St Leonards on Sea East Sussex TN37 7PZ The charity is incorporated in England and Wales.
Company Registration Number	6429969
Charity Registration Number	1123493
Bankers	Lloyds Bank plc Terminus Road Eastbourne East Sussex BN21 3AH
Independent Examiner	Manningtons Chartered Accountants 39 High Street Battle East Sussex TN33 0EE

Emmaus Hastings and Rother

Trustees' Report

The trustees present their report and the financial statements for the year ended 30 June 2021. The trustees at the date of these accounts, who are also directors of Emmaus Hastings and Rother (EHR) for the purposes of company law, are set out on page 1.

Structure, governance and management

Governance

EHR is governed by its board of trustees under its articles of association. The charity is also constituted as a company limited by guarantee and has no share capital. None of the trustees held any beneficial interest in the company at any time during the year or received any remuneration for their services.

EHR is a member of Emmaus UK, the federation of Emmaus communities and groups in the UK, and is a full member of Emmaus International.

Trustees

Trustees are proposed for election by members of the board and appointed by resolution of the board. The articles of association state that the number of trustees shall not be less than five but not subject to any maximum. At each AGM any trustees appointed by the board since the last AGM must be reappointed and the longest serving third of the trustees stand down but may offer themselves for re-election.

There were no changes to the board of trustees during the period covered by this report.

EHR has always been fortunate in attracting a high standard of trustees with a wide range of professional skills. Over the coming year the board will continue to look to recruit new trustees to refresh the board. Induction and other specific training is offered by Emmaus UK and further experience is gained through visits to other communities and attendance at the various forums of Emmaus UK.

Membership

There were no changes to the membership of the charity during the period covered by this report, with the current membership comprising the trustees together with John Scarborough (our previous treasurer) and Emmaus UK.

Organisational structure

Staff report to the trustees through the Community Manager and are assisted in the operation of the charity by companions - the residents of the community - together with the trustees and volunteers.

In January 2021, with the aid of a grant from the Rayne Foundation and along with a number of other communities, we were able to appoint an additional member of staff to develop our e-Sales business in response to the changing retail environment accelerated by the Covid pandemic. The staffing structure of the charity now comprises the Community Manager supported by Business, Support and Finance Managers, together with a Retail and Support Assistant and the e-Sales Lead.

Risk management

The EHR business plan identifies specific risks to the success of the project identified by the trustees and the identified countermeasures to those risks. The business plan and risks are regularly reviewed.

Emmaus Hastings and Rother

Trustees' Report

Objectives and activities

Aims and principles

The primary aim of the charity is to provide homeless and socially excluded people with both a home and meaningful work and to assist others in greater need, in accordance with the principles of the Emmaus Movement.

The trustees of EHR subscribe to the fundamental principles of the international Emmaus movement enshrined in the Universal Manifesto of the Emmaus movement, the Emmaus International Principles and Membership Charter and the Emmaus International solidarity commitments.

Public benefit

Emmaus is a secular and non-political charity providing a successful model for the alleviation of homelessness and social exclusion and welcomes both men and women over the age of 18. The UK federation currently includes 30 residential communities with the capacity to support more than 825 formerly homeless people and a further three groups providing either non-residential support or working to establish themselves. All are independent charities. The residential communities provide a home, shelter and meaningful work for their residents, known as 'companions', many of whom come to Emmaus as a result of homelessness, relationship breakdown, unemployment, debt, and alcohol or drug abuse. Work is provided by each community's social enterprise business, which typically trade in donated furniture and household goods and provide the basis for the community's target of financial self-sustainability.

By providing a home and work within a supportive community environment, those joining Emmaus communities are helped to regain their self-esteem and gain the personal resources and skills to enable them to move on to independent living as and when they wish to do so. With the Government's 2019 English Indices of Deprivation continuing to identify Hastings as one of the 20 most deprived English LA areas and the most deprived in the SE outside London and with Emmaus communities seeking self-sufficiency through their social enterprise businesses, EHR makes a unique contribution to the provision for homeless and socially excluded people in the area. Referrals to the community come from a range of sources including statutory agencies, other local charities and local health professionals and partnership working with these is sought wherever possible.

Emmaus communities produce environmental benefits by encouraging the re-use and recycling of unwanted household goods with savings of hundreds of tons of waste from landfill each year.

The work of EHR also benefits the wider local community by offering for sale second-hand donated goods at reasonable prices. Many of our customers are people on very low incomes and, following the Emmaus principle of helping those in the greatest need, we offer additional discounts to people in this situation, particularly those referred by other charities and agencies working with those in need. These donations in kind, together with other solidarity payments, were valued at £2k for the year.

Emmaus Hastings and Rother

Trustees' Report

Achievements and performance

Previous annual reports, covering the years to June 2020, describe the founding of EHR supported by the established community of Emmaus Brighton & Hove, the 2009 purchase of the Whitworth Road site and opening of the social enterprise business, construction of the first phase of the accommodation block and the opening of the community in July 2011 with capacity for nine companions, construction and opening of the second and third phases of the block which by June 2014 brought the community to its design capacity of 23 and the opening of our second and third shops in Battle and Bexhill in 2015 and 2017. While resolution, in early 2019, of the long-running dispute with Hastings Borough Council over the level of housing benefit paid to our companions and the government's decision to shelve plans for reform of the funding of supported housing improved our financial position, it remained the view of the trustees that, to secure long-term sustainability, we should continue to target reduced dependence on the benefit system. As described in our last report, our priorities for our 2019/20 financial year were then to work towards a significant growth in turnover at Whitworth Road to realise the opportunities that the long-awaited completion of the new road in front of the site should bring. However, the second half of that year saw the early months of the Covid-19 pandemic which continued throughout our 2020/21 financial year and thus dominated the whole period covered by this report.

The trustees set out key features of the year to June 2021 below and, as always, note their thanks to the companions, volunteers, staff and donors who made these possible and to the wider Emmaus movement in the UK for its continuing support. However, beyond the detail below it must be recognised that since March 2020 Covid-19 has presented many organisations with challenges totally outside previous experience and that EHR has been no exception to that. Notable in the face of these were the community, which pulled together and responded in a way that had not seemed inevitable at the start of the pandemic, and the staff team who have risen to every challenge that came their way. To them - Zach, Sallie, Mark, Caroline, Fidelis & Emily - thank you.

- Community occupancy over the year averaged 78%, well below our target of 90% and the figures for recent years. With a number of companions having left the community around the end of the first lockdown at the end of the period covered by the last report, the low occupancy during 2020/21 was then due to the difficulty of identifying and integrating suitable new members into the community during the pandemic. A total of 21 companions lived in the community during the year and, of the six that left us, two were positive move-ons and two moved to other Emmaus communities.

- For the social enterprise, a deliberately conservative forecast of turnover of only £192k had been made for 2020/21, primarily because of considerable uncertainty as to the ongoing impact of Covid-19. This total was made up of shop sales of £133k at Whitworth Road, £27k at Bexhill and other trading income of £32k. Again, no forecast was made for Battle because of the month-by-month rental agreement (see the 2018/19 report). In the event, caution was completely justified with only 33 weeks of trading permitted during the year at Whitworth Road and only 6 weeks possible at Bexhill due to a combination of low companion numbers (see above) and the increased demands of effectively operating Whitworth Road under Covid restrictions as two separate shops. The Battle shop was not re-opened and the lease was discontinued in January 2021 with the landlord planning to redevelop the building. However, while turnover totalling £166k, made up of £146k at Whitworth Road, £6k at Bexhill and £14k of other trading did not meet that forecast, trading in those periods when opening was possible was very strong, suggesting an annualised figure in excess of £250k. Hidden within the figure for Whitworth Road are the strength of sales and donations over extended periods after the lockdowns and growing e-Bay sales.

- During the periods when trading was possible, the Whitworth Road store continued to operate very successfully as the separate ground and first floor shops, each with its own, entrance, one-way traffic route, till point and exit, set up ahead of the re-opening in June 2020 after the first lockdown. More storage and sorting space for donations, over and above that obtained ahead of the June 2020 re-opening, was installed, funded by the Postcode Lottery, to increase our resilience to the disruptions in trading caused by the pandemic.

Emmaus Hastings and Rother

Trustees' Report

- The final elements of the programme to improve the condition of the trading areas of the Whitworth Road site to take advantage of the improved visibility and footfall that completion of the link road should bring were completed (although see below). These included completion of the programme of window replacement, extension of the heating system, painting of the south and west faces of the building and improved signage. Again, our thanks go to CRASH (the construction industry charity) for their support and to the Social Enterprise Support Fund, which funded the signage and other advertising & publicity.

- During the year no apparent progress was made with construction of the link road that will follow the line of Whitworth Road in front of the site. Access to site remains from Queensway to the west, with no vehicle access from Sedlescombe Road to the east and to our main customer base. At the time of issue of this report (March 2022) construction of this 600m stretch of road is in its sixth year.

The community, including staff and trustees continues to play an active role in the UK federation and will seek to contribute to the federation's development plans. Locally, alongside the solidarity donations in kind referred to above, we have been pleased to give material support to a number of other local charities including those working in similar areas to ourselves, as well as to the local foodbank, Seaview and St Michael's hospice.

Financial review

In one sense the fact that trading figures in the year from 1 July 2020 to 30 June 2021 have again shown a reduction (of about 12%) from the previous year is not surprising, given that arguably the retail sector has been impacted even more heavily by government action and public anxiety related to Covid in the year under review than in the year ended 30 June 2020. However, what these annual figures do not show is the resilience of the Whitworth Road and Bexhill shops' performance in the emergence from the crisis over the course of 2021, with net sales averaging over £5,000 a week in the second half of that year. At the time of writing a cautious optimism seems appropriate.

The generosity of a number of donors and grant giving agencies has enabled the charity to return a small surplus despite the rocky financial road travelled over the year. This has enabled us to maintain a reasonably secure financial position with which to face the future with confidence, and to maintain and hopefully extend the scope of our charitable activities. Grants were received in the year from the following:

- Co-op Local Community Fund
- CRASH (the construction industry charity)
- Sussex Community Foundation
- Francis and Eric Ford Trust
- Masonic Charitable Foundation
- People's Postcode Trust
- Social Enterprise Support Fund
- Rayne Foundation

In addition to the above, we express our thanks for the donations given by private trusts and individuals and for the wide range of support we receive from corporate and community organisations.

Manningtons, Chartered Accountants, remain the charity's accounts examiners.

Reserves policy

The charity's financial objectives include that we should retain a minimum reserve of free (unrestricted) funds equivalent to three months' operating costs. However, under current circumstances, the trustees feel it is prudent to retain additional contingency in the medium term. This position will be reviewed by the board on a regular basis.

Emmaus Hastings and Rother

Trustees' Report

Plans for future periods

As identified in the reports for 2019/20 and 2020/21, the overall objective of the trustees is to secure the long-term sustainability of the charity by reducing dependence on the benefit system through growth and diversification of our social enterprise business, primarily Whitworth Road. However, dominating our plans for 2021/22 is the need to maintain the community and our secure short-term financial position through the on-going Covid-19 pandemic. While uninterrupted trading was permitted between mid-April 2021 and the end of our 2020/21 financial year, there was no certainty that further restrictions would not prove necessary through the winter of 2021/22 (in the event, by the time this report was issued in March 2022, the government had not found it necessary to impose further restrictions through the rise in cases due to the Omicron variant and those in place had been largely withdrawn). The key objectives for the year to June 2022 are then as follows:

- To re-build companion numbers back towards our capacity of 23, providing a home and meaningful work to around 30 people over the year and, where possible taking into the ongoing impact of Covid-19, to further improve companion training and development opportunities.
- For the social enterprise, turnover of £260k is forecast for 2021/22, made up of shop sales of £185k at Whitworth Road, £36k at Bexhill and other trading income of £39k. These figures assume no interruption to trading due to Covid-19 through the year. Comparisons with the equivalent figures for 2020/21 are not meaningful because of the shop closures during the year, although those can be read as supporting an annualised total in excess of £250k. Further growth in on-line sales is anticipated in the 'other trading' forecast.
- To continue to improve brand awareness of Emmaus and what we do across the local area through increased use of social media & other platforms, with the particular target of attracting a younger demographic of customer and supporter, which should in turn support increased on-line sales.
- To fund and complete a gradual programme of refurbishment of the companion rooms and communal areas of the accommodation block, much of which is now past its 10th anniversary.
- To continue to seek new trustees with the skills needed to help maintain and grow the charity over coming years.

Emmaus Hastings and Rother

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Emmaus Hastings and Rother for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the trustees of the charity on 25 March 22 and signed on its behalf by:



M F Edwards
Trustee

Emmaus Hastings and Rother

Independent Examiner's Report to the trustees of Emmaus Hastings and Rother

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 June 2021 which are set out on pages 9 to 24.

Respective responsibilities of trustees and examiner

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

Independent examiner's statement

Since Emmaus Hastings and Rother'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 , which is one of the listed bodies.

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

1. accounting records were not kept in respect of Emmaus Hastings and Rother 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.



Rowena Walsh FCCA
Chartered Accountants

39 High Street
Battle
East Sussex
TN33 0EE

Date: 28/08/22

Emmaus Hastings and Rother

Statement of Financial Activities for the Year Ended 30 June 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	129,287	69,577	198,864
Charitable activities	4	272,512	-	272,512
Investment income	5	39	-	39
Other income	6	200	-	200
Total Income		402,038	69,577	471,615
Expenditure on:				
Charitable activities	7	(356,209)	(76,329)	(432,538)
Governance costs		(4,940)	-	(4,940)
Total Expenditure		(361,149)	(76,329)	(437,478)
Net income/(expenditure)		40,889	(6,752)	34,137
Net movement in funds		40,889	(6,752)	34,137
Reconciliation of funds				
Total funds brought forward		688,258	447,509	1,135,767
Total funds carried forward	21	729,147	440,757	1,169,904

The notes on pages 12 to 24 form an integral part of these financial statements.

Emmaus Hastings and Rother

Statement of Financial Activities for the Year Ended 30 June 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	117,107	45,457	162,564
Charitable activities	4	324,938	-	324,938
Investment income	5	395	-	395
Total Income		<u>442,440</u>	<u>45,457</u>	<u>487,897</u>
Expenditure on:				
Charitable activities	7	(334,309)	(64,821)	(399,130)
Governance costs		(3,500)	-	(3,500)
Total Expenditure		<u>(337,809)</u>	<u>(64,821)</u>	<u>(402,630)</u>
Net income/(expenditure)		<u>104,631</u>	<u>(19,364)</u>	<u>85,267</u>
Net movement in funds		104,631	(19,364)	85,267
Reconciliation of funds				
Total funds brought forward		<u>583,629</u>	<u>466,871</u>	<u>1,050,500</u>
Total funds carried forward	21	<u>688,260</u>	<u>447,507</u>	<u>1,135,767</u>

All of the charity's activities derive from continuing operations during the two periods: 2019/20 (shown above) and 2020/21 (shown on the previous page).

The funds breakdown for 2020/21 and 2019/20 is shown in note 21.

Emmaus Hastings and Rother

(Registration number: 6429969)
Balance Sheet as at 30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	941,394	952,916
Current assets			
Stocks	15	1,523	1,462
Debtors	16	37,170	25,354
Cash at bank and in hand	17	249,300	241,475
		287,993	268,291
Creditors: Amounts falling due within one year	18	(50,150)	(25,606)
Net current assets		237,843	242,685
Total assets less current liabilities		1,179,237	1,195,601
Creditors: Amounts falling due after more than one year	19	(9,333)	(59,834)
Net assets		1,169,904	1,135,767
Funds of the charity:			
Restricted		440,757	447,507
Unrestricted income funds			
Unrestricted		729,147	688,260
Total funds	21	1,169,904	1,135,767

For the financial year ending 30 June 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 9 to 24 were approved by the trustees, and authorised for issue on 31/12/21 and signed on their behalf by:


 M F Edwards
 Trustee

The notes on pages 12 to 24 form an integral part of these financial statements.

Emmaus Hastings and Rother

Notes to the Financial Statements for the Year Ended 30 June 2021

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

2 Whitworth Road
St Leonards on Sea
East Sussex
TN37 7PZ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Emmaus Hastings and Rother meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

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.

Income and endowments

Donations and legacies

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Investment income is recognised on a receivable basis.

Emmaus Hastings and Rother

Notes to the Financial Statements for the Year Ended 30 June 2021

Charitable activities

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Expenditure

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.

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.

Grant expenditure

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Emmaus Hastings and Rother

Notes to the Financial Statements for the Year Ended 30 June 2021

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	Buildings alone are depreciated over 10, 25 and 50 years
Fixtures and fittings	10% - 33% straight line basis
Motor vehicles	25% straight line basis

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stock. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Emmaus Hastings and Rother

Notes to the Financial Statements for the Year Ended 30 June 2021

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

Emmaus Hastings and Rother

Notes to the Financial Statements for the Year Ended 30 June 2021

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and legacies;				
Donations from individuals	77,876	-	77,876	25,536
Grants, including capital grants;				
Government grants	41,960	-	41,960	91,772
Grants from companies	9,451	69,577	79,028	45,256
	<u>129,287</u>	<u>69,577</u>	<u>198,864</u>	<u>162,564</u>

4 Income from charitable activities

	Unrestricted General £	Total 2021 £	Total 2020 £
Sale of second-hand donated goods	166,023	166,023	190,241
Accommodation for homeless people	106,489	106,489	134,697
	<u>272,512</u>	<u>272,512</u>	<u>324,938</u>

5 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Other income from current asset investments	39	39	395

6 Other income

	Unrestricted funds General £	Total 2021 £
Rental income	200	200

Emmaus Hastings and Rother

Notes to the Financial Statements for the Year Ended 30 June 2021

7 Expenditure on charitable activities

		Unrestricted			
	Note	General £	Restricted £	Total 2021 £	Total 2020 £
Sale of second-hand donated goods		91,952	43,095	135,047	121,729
Accommodation for the homeless		112,922	23,284	136,206	148,489
Grant funding of activities		1,000	-	1,000	-
Staff costs		150,335	9,950	160,285	128,912
		<u>356,209</u>	<u>76,329</u>	<u>432,538</u>	<u>399,130</u>

In addition to the expenditure analysed above, there are also governance costs of £4,940 (2020 - £3,500) which relate directly to charitable activities. See note 8 for further details.

	Sale of second-hand donated goods £	Accommodation for the homeless £	Total £
Grant repayments to Emmaus UK	-	1,000	1,000
Cost of good sold	5,105	-	5,105
Employment costs	80,994	79,290	160,285
Companions' costs	51	78,005	78,056
Establishment costs	28,983	17,874	46,857
Repairs and maintenance	45,789	8,664	54,453
Office expenses	8,749	1,390	10,139
Sundry and other costs	10,604	-	10,604
Motor expenses	11,126	729	11,855
Travel and subsistence	1,026	657	1,682
Advertising and promotion	7,887	-	7,887
Bank charges	1,902	-	1,902
Interest payable	-	-	-
Depreciation of tangible fixed assets	8,896	33,816	42,712
Profit on disposal of tangible fixed asset	-	-	-
	<u>211,112</u>	<u>221,425</u>	<u>432,538</u>

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Notes to the Financial Statements for the Year Ended 30 June 2021

8 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	4,940	4,940	3,500
	<u>4,940</u>	<u>4,940</u>	<u>3,500</u>

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>42,712</u>	<u>39,555</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

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Notes to the Financial Statements for the Year Ended 30 June 2021

11 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Staff costs during the year were:		
Wages and salaries	146,720	115,348
Social security costs	8,600	9,255
Pension costs	4,965	4,309
	<u>160,285</u>	<u>128,912</u>

The monthly average number of persons employed by the charity during the year was as follows:

	2021	2020
	No	No
Community Managers	1	1
Business and Support Managers	2	2
Finance Managers	1	1
Retail Assistants	1	1
E-Sales Project Lead	1	-
	<u>6</u>	<u>5</u>

Contributions to the employee pension schemes for the year totalled £4,965 (2020 - £4,309).

No employee received emoluments of more than £60,000 during the year.

12 Independent examiner's remuneration

	2021	2020
	£	£
Examination of the financial statements	<u>4,940</u>	<u>3,500</u>

Emmaus Hastings and Rother

Notes to the Financial Statements for the Year Ended 30 June 2021

13 Taxation

The charity is a registered charity and is therefore exempt from Corporation tax.

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2020	1,252,836	29,572	47,621	1,330,029
Additions	<u>27,409</u>	<u>3,779</u>	<u>-</u>	<u>31,188</u>
At 30 June 2021	<u>1,280,245</u>	<u>33,351</u>	<u>47,621</u>	<u>1,361,217</u>
Depreciation				
At 1 July 2020	302,336	27,594	47,181	377,111
Charge for the year	<u>40,831</u>	<u>1,440</u>	<u>441</u>	<u>42,712</u>
At 30 June 2021	<u>343,167</u>	<u>29,034</u>	<u>47,622</u>	<u>419,823</u>
Net book value				
At 30 June 2021	<u>937,078</u>	<u>4,317</u>	<u>(1)</u>	<u>941,394</u>
At 30 June 2020	<u>950,500</u>	<u>1,978</u>	<u>440</u>	<u>952,918</u>

15 Stock

	2021 £	2020 £
Stocks	<u>1,523</u>	<u>1,462</u>

16 Debtors

	2021 £	2020 £
Prepayments	7,129	7,400
Other debtors	<u>30,041</u>	<u>17,954</u>
	<u>37,170</u>	<u>25,354</u>

17 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	625	1,535
Cash at bank	<u>248,675</u>	<u>239,940</u>
	<u>249,300</u>	<u>241,475</u>

Emmaus Hastings and Rother

Notes to the Financial Statements for the Year Ended 30 June 2021

18 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	-	833
Trade creditors	10,921	1,043
Other loans	6,333	6,333
Other taxation and social security	4,187	-
Other creditors	12,136	3,164
Accruals	16,573	14,233
	<u>50,150</u>	<u>25,606</u>

19 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	-	49,167
Other loans	9,333	10,667
	<u>9,333</u>	<u>59,834</u>

20 Contingent liabilities

Since the charity's inception, grants totalling £238,031 have been received from Emmaus UK with a moral obligation that these are repaid as and when funds become available, to allow further growth in the movement. However there is also a legal obligation for the funds to be repaid in full if the charity ceases to be part of the Emmaus Federation. The charity has historically made nominal repayments totalling £6,500 to Emmaus UK therefore reducing the outstanding repayable amount to £231,531. No repayments were made in previous financial period due to the conditions brought on by COVID-19. Nominal repayments re-started in June 2021.

The grants are otherwise repayable in full if the charity ceases to be a member of the Emmaus Federation in the UK.

Emmaus Hastings and Rother

Notes to the Financial Statements for the Year Ended 30 June 2021

21 Funds

	Balance at 1 July 2020 £	Incoming resources £	Resources expended £	Balance at 30 June 2021 £
Unrestricted				
<i>General</i>				
General funds	678,258	402,038	(361,149)	719,147
<i>Designated</i>				
Second retail outlet fund	10,000	-	-	10,000
Total Unrestricted	<u>688,258</u>	<u>402,038</u>	<u>(361,149)</u>	<u>729,147</u>
Restricted				
Accommodation block building fund	421,381	-	(24,285)	397,096
Trading building improvements fund	14,365	-	(4,930)	9,435
Lloyds Foundation Grant	-	4,022	2,529	6,551
CRASH Grant	7,500	27,329	(25,546)	9,283
Emmaus UK Grant	4,263	2,820	(2,820)	4,263
Co-op Community Foundation	-	1,771	(1,771)	-
Ford Trust	-	261	(261)	-
Postcode Lottery	-	9,802	(1,033)	8,769
Rayne Foundation	-	9,950	(9,950)	-
SESF	-	13,622	(8,262)	5,360
Total restricted	<u>447,509</u>	<u>69,577</u>	<u>(76,329)</u>	<u>440,757</u>
Total funds	<u><u>1,135,767</u></u>	<u><u>471,615</u></u>	<u><u>(437,478)</u></u>	<u><u>1,169,904</u></u>

Emmaus Hastings and Rother

Notes to the Financial Statements for the Year Ended 30 June 2021

	Balance at 1 July 2019 £	Incoming resources £	Resources expended £	Balance at 30 June 2020 £
Unrestricted funds				
<i>General</i>				
General funds	573,629	442,440	(337,809)	678,260
<i>Designated</i>				
Second retail outlet fund	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total unrestricted funds	<u>583,629</u>	<u>442,440</u>	<u>(337,809)</u>	<u>688,260</u>
Restricted				
Accommodation block building fund	445,655	-	(24,274)	421,381
Trading building improvements fund	19,295	-	(4,930)	14,365
Lloyds Foundation Grant	-	11,667	(11,667)	-
CRASH Grant	-	8,874	(1,374)	7,500
Emmaus UK Grant	1,921	19,643	(17,303)	4,261
Job Retention Scheme	<u>-</u>	<u>5,273</u>	<u>(5,273)</u>	<u>-</u>
Total restricted funds	<u>466,871</u>	<u>45,457</u>	<u>(64,821)</u>	<u>447,507</u>
Total funds	<u><u>1,050,500</u></u>	<u><u>487,897</u></u>	<u><u>(402,630)</u></u>	<u><u>1,135,767</u></u>

Emmaus Hastings and Rother

Notes to the Financial Statements for the Year Ended 30 June 2021

22 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2021 £
Tangible fixed assets	510,653	430,741	941,394
Current assets	277,977	10,016	287,993
Current liabilities	(50,150)	-	(50,150)
Creditors over 1 year	(9,333)	-	(9,333)
Total net assets	<u>729,147</u>	<u>440,757</u>	<u>1,169,904</u>

	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2020 £
Tangible fixed assets	513,651	439,265	952,916
Current assets	260,047	8,244	268,291
Current liabilities	(25,606)	-	(25,606)
Creditors over 1 year	(59,834)	-	(59,834)
Total net assets	<u>688,258</u>	<u>447,509</u>	<u>1,135,767</u>

23 Related party transactions

Trustee loan

In a prior year an informal interest free loan of £5,000 had been made to the charity by a trustee. This remained outstanding at the year end. At the balance sheet date the amount due to the Trustee loan was £5,000 (2020 - £5,000).