

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 2022

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**

<b>Trustees</b>	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 P A Sykes
<b>Principal Office</b>	2 Whitworth Road St Leonards on Sea East Sussex TN37 7PZ  The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	6429969
<b>Charity Registration Number</b>	1123493
<b>Bankers</b>	Lloyds Bank plc Terminus Road Eastbourne East Sussex BN21 3AH
<b>Independent Examiner</b>	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 2022. 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.

In May 2022 we welcomed Paul Sykes to the board of trustees. Paul studied Management Sciences at Manchester University before embarking on a career in commerce and in 2002, after fifteen years working for large corporations, he and his wife established their first business. In 2008, after selling the company, he joined the board of Apta, a garden supply business in Ashford, Kent. Over the next decade the board turned Apta around, growing it into one of the most admired and energetic companies in its sector. In 2020 Apta was sold to the US group, Ames, and Paul is now a consultant to the parent company and an advisor to other companies on strategic planning and change management.

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 are 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.

There were no changes to the staffing structure of the charity during the period covered by this report, with this comprising the Community Manager supported by Business, Support and Finance Managers, together with a Retail & 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 £3k for the year.

## **Emmaus Hastings and Rother**

### **Trustees' Report**

#### **Achievements and performance**

Previous reports, covering the years to June 2021, 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 has remained the view of the trustees that, to secure long-term sustainability, we should continue to target reduced dependence on the benefit system.

At the beginning of our 2021/22 financial year, while it could be hoped that the worst of the Covid-19 pandemic was behind us and, although it was far from certain that this would be the case, trading forecasts were made on the basis of no further interruptions to trading. Key features of the year to Jun. 2022 are summarised below and, as always, the trustees 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. Again, we note the response of 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 - Zach, Sallie, Mark, Caroline, Fidelis & Emily - who rose to every challenge that came their way.

- Community occupancy over the year was 74%. with no changes among the 17 companions who lived in the community during the year. This was again well below our target of 90% and figures for the years immediately before Covid. The difficulties in identifying and integrating suitable new members into the community observed in 2020/21 continued and were seen across the federation, largely driven by government funding of local authority temporary accommodation during the pandemic.

- For the social enterprise, turnover totalling £260k was forecast for 2021/22 on the basis of no further interruptions to trading due to Covid. This total was made up of forecast sales of £185k at Whitworth Road, £36k at Bexhill and other trading income of £39k. In the event 12 months of uninterrupted trading were possible during which total turnover was £296k, made up of shop sales of £220k at Whitworth Road, £42k at Bexhill and other trading income of £34k, with the total of £296k representing a very significant increase over the annualised figure of £250k for 2020/21, estimated in last year's report from the 33 weeks of trading possible in that year.

- As described in previous reports, during the periods between the lockdowns of 2020 & 2021 when trading was possible, the Whitworth Road store operated as separate ground and first floor shops, each with its own entrance, one-way traffic route, till point and exit. Despite the relaxation in restrictions of the past year, it has proved effective to maintain some of these features; in particular the till point on the re-vamped first floor, which now accounts for almost 50% of shop income, through sales of clothes, small household items and bric-à-brac.

- Again, during this year no visible progress was made in construction of the link road that will follow the line of Whitworth Road in front of the site, although plans are said to be in-hand for completion of a temporary link between the end of the completed section and Sedlescombe Road, which will at least provide a through route in front of the site and relieve congestion on the Ridge. However, until this is built, access to site remains from Queensway to the west, with no vehicle access from Sedlescombe Road and our main customer base. Our 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 road should bring was completed in 2020/21 and it should be noted that at the time of issue of this report (Feb. 2023) construction of this 600m stretch of road is in its seventh year.

## **Emmaus Hastings and Rother**

### **Trustees' Report**

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 Hastings Foodbank, the Seaview Drop-in Centre and Warming up the Homeless (Bexhill).

#### **Financial review**

As we commented in last year's financial review, sales have "bounced back" very satisfactorily in the year after the effects of the Covid-related closures in the period from early 2020. Indeed, this is an understatement, since shop sales from our St Leonards on Sea and Bexhill on Sea outlets have almost doubled as compared with the previous financial year. It is very pleasing that the effect of this has been to maintain a small overall surplus despite a substantial drop in the total value of cash/monetary donations compared with 2020/2021, understandable as the pandemic receded.

Once again 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:

- Arnold Clark Foundation
- B & Q Foundation
- Co-op Community Foundation
- CRASH (the construction industry charity)
- Francis and Eric Ford Trust
- Hendy Foundation
- Rayne Foundation
- Sainsburys
- Screwfix Foundation
- Silver Lady Fund
- Sport England
- Sussex Police Property Act Fund

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 other 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, taking the events of the last three years into account, 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 recent years, 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 at Whitworth Road. With 2021/22 having seen no interruptions in trading due to Covid, it seems reasonable to assume that this will continue through 2022/23 and this is reflected in the trading forecasts below. As described earlier in this report, it proved unexpectedly difficult to grow companion numbers back towards capacity through 2021/22 and this must remain a primary objective for 2022/23. The trading forecasts below make no allowance for the impact on trading of completion of the long-awaited link road but there are credible reports of a temporary link and, although this now seems unlikely by the end of our 2022/23 FY, we must be prepared for this should it happen. With the improvements to trading areas at Whitworth Road to take advantage of the anticipated increase in footfall now complete, these preparations would largely be met by the increase in resource to the business that increased companion numbers would bring. The key objectives for the year to Jun. 2023 are then as follows:

- To continue 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 further improve companion training and development opportunities.
- For the social enterprise, turnover of £317k is forecast for 2022/23, made up of shop sales of £242k at Whitworth Road, £43k at Bexhill and other trading income of £32k. These figures assume no interruptions to trading during the year and focus on a further increase in turnover at Whitworth Road.
- 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 complete the programme of refurbishment of the companion rooms and communal areas of the accommodation block, much of which is now past its 10th anniversary, and to investigate options and funding for improved energy efficiency for the site in the face of recent massive rises in energy costs.
- 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 17/03/23 and signed on its behalf by:



A D Pink  
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 2022 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.

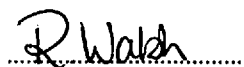
#### **Independent examiner's statement**

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: 17/03/23

## Emmaus Hastings and Rother

### Statement of Financial Activities for the Year Ended 30 June 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	22,855	41,534	64,389
Charitable activities	4	403,186	-	403,186
Other income	6	1,580	-	1,580
Total Income		<u>427,621</u>	<u>41,534</u>	<u>469,155</u>
<b>Expenditure on:</b>				
Charitable activities	7	(401,475)	(49,390)	(450,865)
Governance costs		<u>(3,572)</u>	<u>-</u>	<u>(3,572)</u>
Total Expenditure		<u>(405,047)</u>	<u>(49,390)</u>	<u>(454,437)</u>
Net income/(expenditure)		22,574	(7,856)	14,718
Transfers between funds		<u>(3,012)</u>	<u>3,012</u>	<u>-</u>
Net movement in funds		19,562	(4,844)	14,718
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>729,147</u>	<u>440,757</u>	<u>1,169,904</u>
Total funds carried forward	21	<u><u>748,709</u></u>	<u><u>435,913</u></u>	<u><u>1,184,622</u></u>

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 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

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

All of the charity's activities derive from continuing operations during the two periods: 2020/21 (shown above) and 2021/22 (shown on the previous page).

The funds breakdown for 2021/22 and 2020/21 is shown in note 21.

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

**Emmaus Hastings and Rother**  
**(Registration number: 6429969)**  
**Balance Sheet as at 30 June 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	897,387	941,394
<b>Current assets</b>			
Stocks	15	3,874	1,523
Debtors	16	31,603	37,170
Cash at bank and in hand	17	298,818	249,300
		334,295	287,993
<b>Creditors: Amounts falling due within one year</b>	18	(40,393)	(50,150)
<b>Net current assets</b>		293,902	237,843
<b>Total assets less current liabilities</b>		1,191,289	1,179,237
<b>Creditors: Amounts falling due after more than one year</b>	19	(6,667)	(9,333)
<b>Net assets</b>		1,184,622	1,169,904
<b>Funds of the charity:</b>			
<b>Restricted</b>		435,913	440,757
<b>Unrestricted income funds</b>			
Unrestricted		748,709	729,147
<b>Total funds</b>	21	1,184,622	1,169,904


For the financial year ending 30 June 2022 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 17/03/23 and signed on their behalf by:



.....  
A D Pink  
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 2022**

#### **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 2022**

#### ***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 2022**

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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 2022**

#### **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 2022

#### 3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Donations from individuals	17,855	-	17,855	77,876
Grants, including capital grants;				
Government grants	-	-	-	41,960
Grants from companies	5,000	41,534	46,534	79,028
	<u>22,855</u>	<u>41,534</u>	<u>64,389</u>	<u>198,864</u>

#### 4 Income from charitable activities

	Unrestricted General £	Total 2022 £	Total 2021 £
Sale of second-hand donated goods	296,458	296,458	166,023
Accommodation for homeless people	106,728	106,728	106,489
	<u>403,186</u>	<u>403,186</u>	<u>272,512</u>

#### 5 Investment income

	Total 2022 £	Total 2021 £
Other income from current asset investments	<u>-</u>	<u>39</u>

#### 6 Other income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Rental income	<u>1,580</u>	<u>1,580</u>	<u>200</u>

# **Emmaus Hastings and Rother**

## **Notes to the Financial Statements for the Year Ended 30 June 2022**

### **7 Expenditure on charitable activities**

Note	Unrestricted		Total 2022 £	Total 2021 £
	General £	Restricted £		
Sale of second-hand donated goods	102,795	16,056	118,851	135,047
Accommodation for the homeless	134,981	23,284	158,265	136,206
Grant funding of activities	907	-	907	1,000
Staff costs	162,792	10,050	172,842	160,285
	<u>401,475</u>	<u>49,390</u>	<u>450,865</u>	<u>432,538</u>

In addition to the expenditure analysed above, there are also governance costs of £3,572 (2021 - £4,940) 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	-	907	907
Cost of good sold	8,001	-	8,001
Employment costs	106,865	65,978	172,842
Companions' costs	554	94,684	95,238
Training costs	66	170	236
Establishment costs	29,541	19,775	49,316
Repairs and maintenance	23,610	10,792	34,401
Office expenses	9,528	1,462	10,989
Sundry and other costs	13,188	-	13,188
Motor expenses	15,050	1,016	16,065
Travel and subsistence	456	1,477	1,934
Advertising and promotion	193	-	193
Bank charges	3,030	-	3,030
Interest payable	11	-	11
Depreciation of tangible fixed assets	15,624	28,889	44,513
Profit on disposal of tangible fixed asset	-	-	-
	<u>225,715</u>	<u>225,149</u>	<u>450,865</u>

## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2022

#### 8 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Independent examiner fees			
Examination of the financial statements	3,500	3,500	4,940
Legal fees	<u>72</u>	<u>72</u>	<u>-</u>
	<u>3,572</u>	<u>3,572</u>	<u>4,940</u>

#### 9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2022 £	2021 £
Depreciation of fixed assets	<u>44,513</u>	<u>42,712</u>

#### 10 Trustees remuneration and expenses

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

## **Emmaus Hastings and Rother**

### **Notes to the Financial Statements for the Year Ended 30 June 2022**

#### **11 Staff costs**

The aggregate payroll costs were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	158,911	146,720
Social security costs	7,979	8,600
Pension costs	<u>5,952</u>	<u>4,965</u>
	<u>172,842</u>	<u>160,285</u>

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

	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
Community Managers	1	1
Business and Support Managers	2	2
Finance Managers	1	1
Retail Assistants	1	1
E-Sales Project Lead	<u>1</u>	<u>1</u>
	<u>6</u>	<u>6</u>

Contributions to the employee pension schemes for the year totalled £5,952 (2021 - £4,965).

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

#### **12 Independent examiner's remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Examination of the financial statements	<u>3,500</u>	<u>4,940</u>

## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2022

#### 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 £
<b>Cost</b>				
At 1 July 2021	1,280,245	33,352	47,621	1,361,218
Additions	-	504	-	504
Disposals	-	(282)	-	(282)
At 30 June 2022	<u>1,280,245</u>	<u>33,574</u>	<u>47,621</u>	<u>1,361,440</u>
<b>Depreciation</b>				
At 1 July 2021	343,167	29,035	47,621	419,823
Charge for the year	42,436	2,077	-	44,513
Eliminated on disposals	-	(283)	-	(283)
At 30 June 2022	<u>385,603</u>	<u>30,829</u>	<u>47,621</u>	<u>464,053</u>
<b>Net book value</b>				
At 30 June 2022	<u>894,642</u>	<u>2,745</u>	<u>-</u>	<u>897,387</u>
At 30 June 2021	<u>937,078</u>	<u>4,317</u>	<u>-</u>	<u>941,395</u>

#### 15 Stock

	2022 £	2021 £
Stocks	<u>3,874</u>	<u>1,523</u>

#### 16 Debtors

	2022 £	2021 £
Prepayments	7,347	7,129
Other debtors	<u>24,256</u>	<u>30,041</u>
	<u>31,603</u>	<u>37,170</u>

#### 17 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	575	625
Cash at bank	<u>298,243</u>	<u>248,675</u>
	<u>298,818</u>	<u>249,300</u>

## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2022

#### 18 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	6,620	10,921
Other loans	6,333	6,333
Other taxation and social security	-	4,187
Other creditors	8,251	12,136
Accruals	19,189	16,573
	<u>40,393</u>	<u>50,150</u>

#### 19 Creditors: amounts falling due after one year

	2022 £	2021 £
Other loans	<u>6,667</u>	<u>9,333</u>

#### 20 Contingent liabilities

Since the charity's inception, grants totalling £240,811 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 £7,407 to Emmaus UK therefore reducing the outstanding repayable amount to £233,404. No repayments were made in the financial period ended 30 June 2020 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 2022

#### 21 Funds

	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 June 2022 £
<b>Unrestricted</b>					
<i>General</i>					
General funds	719,147	427,621	(405,047)	(3,012)	738,709
<i>Designated</i>					
Second retail outlet fund	10,000	-	-	-	10,000
<b>Total Unrestricted</b>	<u>729,147</u>	<u>427,621</u>	<u>(405,047)</u>	<u>(3,012)</u>	<u>748,709</u>
<b>Restricted</b>					
Accommodation block building fund	397,096	-	(24,274)	2,835	375,657
Trading building improvements fund	9,435	-	(4,930)	695	5,200
Lloyds Foundation Grant	6,551	-	(1,638)	-	4,913
CRASH Grant	9,283	774	(1,541)	1,471	9,987
Emmaus UK Grant	4,263	2,780	(2,827)	(1,989)	2,227
Co-op Community Foundation	-	2,465	1,771	-	4,236
Postcode Lottery	8,769	-	(1,948)	-	6,821
Rayne Foundation	-	10,049	(10,049)	-	-
SESF	5,360	-	(1,216)	-	4,144
Arnold Clark Foundation	-	1,000	(1,000)	-	-
Companion Training / Move on Support	-	2,079	-	-	2,079
Gym Project	-	16,502	(1,371)	-	15,131
Sainsburys Eat Better Grant	-	1,300	(367)	-	933
Screwfix Foundation	-	4,585	-	-	4,585
<b>Total restricted</b>	<u>440,757</u>	<u>41,534</u>	<u>(49,390)</u>	<u>3,012</u>	<u>435,913</u>
<b>Total funds</b>	<u>1,169,904</u>	<u>469,155</u>	<u>(454,437)</u>	<u>-</u>	<u>1,184,622</u>



## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2022

	Balance at 1 July 2020 £	Incoming resources £	Resources expended £	Balance at 30 June 2021 £
<b>Unrestricted funds</b>				
<i>General</i>				
General funds	678,258	402,038	(361,149)	719,147
<i>Designated</i>				
Second retail outlet fund	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
<b>Total unrestricted funds</b>	<u>688,258</u>	<u>402,038</u>	<u>(361,149)</u>	<u>729,147</u>
<b>Restricted</b>				
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)	-
Postcode Lottery	-	9,802	(1,033)	8,769
Rayne Foundation	-	9,950	(9,950)	-
SESF	<u>-</u>	<u>13,622</u>	<u>(8,262)</u>	<u>5,360</u>
<b>Total restricted funds</b>	<u>447,509</u>	<u>69,316</u>	<u>(76,068)</u>	<u>440,757</u>
<b>Total funds</b>	<u><u>1,135,767</u></u>	<u><u>471,354</u></u>	<u><u>(437,217)</u></u>	<u><u>1,169,904</u></u>

## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2022

#### 22 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2022 £
Tangible fixed assets	488,437	408,950	897,387
Current assets	307,332	26,963	334,295
Current liabilities	(40,393)	-	(40,393)
Creditors over 1 year	(6,667)	-	(6,667)
Total net assets	<u>748,709</u>	<u>435,913</u>	<u>1,184,622</u>
	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>

#### 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 (2021 - £5,000).