

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 2023

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

## **Emmaus Hastings and Rother**

### **Contents**

Reference and Administrative Details	I
Trustees' Report	2 to 6
Statement of Trustees' Responsibilities	7
Independent Examiner's Report	8 to 9
Statement of Financial Activities	10 to 11
Balance Sheet	12 to 13
Notes to the Financial Statements	14 to 27

## **Emmaus Hastings and Rother**

### **Reference and Administrative Details**

<b>Trustees</b>	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 M M Charlesworth (resigned 6 November 2023)
<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 2023. 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.

Over the period covered by this report there were no changes in the board of trustees.

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.

Over the period covered by this report our Finance Manager and e-Sales Lead both left the charity to pursue other opportunities. In both cases the opportunity was taken to review the staffing structure before filling the posts. During the year and in addition, a new post of Support Worker was created. Our staffing structure now comprises the Community Manager supported by a Deputy Community Manager and a Business Manager, together with a Bookkeeper, a Support Worker and Retail and Logistics Assistants. With three staff on part-time contracts our total of seven members of staff equates to six FTE.

##### *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 communities with the capacity to support more than 850 formerly homeless people and with a further three groups working to establish new communities. 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 2022, 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; the 2015 and 2017 openings of further shops in Battle (lease relinquished in 2021) and Bexhill and the domination of 2020 and 2021 by the Covid pandemic.

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.

Key features of the year to June 2023 are summarised below and, as always, the trustees note their thanks to the companions, staff team, volunteers and donors who made these possible and to the wider Emmaus movement in the UK for its continuing support.

- The number of companions living in the community during the year averaged 17 (74%), again well below our target of 90%. However, following the stability of the community during 2021/22, which saw no changes, 2022/23 saw 6 arrivals and 6 departures to & from the community.
- During the year the potential impact of the Supported Housing (Regulatory Oversight) Act 2023 upon the need for improved record-keeping in respect of companion support became clearer. This contributed to the decision during the year to appoint a support worker and further work is taking place across the federation to develop a common record-keeping system, which may place further demands on resources.
- For the social enterprise, a 7% rise in turnover to £317k was targeted for 2022/23, made up of forecast sales of £242k at Whitworth Road, £43k at Bexhill and other trading income of £32k. In the event turnover for the year increased by almost 10% to £324k, made up of shop sales of £260k at Whitworth Road, £32k at Bexhill and other trading income of £32k.
- During the year, once again no visible progress was made in completing the link road between Sedlescombe Road and Queensway that will follow the line of Whitworth Road, which will pass immediately in front of our site and give us much improved visibility and hopefully then footfall. Failure to complete the link means that our access remains from Queensway to the west, with no vehicle access from Sedlescombe Road and our main customer base. At the date of this report, construction of this 600m stretch of road is in its eighth 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 Hastings Foodbank, the Seaview Drop-in Centre and Warming up the Homeless (Bexhill).

## **Emmaus Hastings and Rother**

### **Trustees' Report**

#### **Financial review**

As stated above sales in our shops, particularly Whitworth Road, have continued to show pleasing growth, being up nearly 10% on the previous year. Whilst expenditure on charitable activities has also shown a large increase, this is due not just to general inflation but also to substantial repairs required to the accommodation block following storm damage that were fortunately offset by an insurance claim of approximately £25,000, which is included in the Statement of Financial Activities under the heading "Other Income". Once again, a small surplus on total activities is the overall result, and the charity therefore continues to show a strong balance sheet. The liquidity position is satisfactory, and in due course will enable us to move forward with a number of important capital projects including rationalisation of the main building, the installation of solar panels to improve our energy efficiency, and the replacement of our ageing fleet of vehicles.

Grants or help in kind were received in the year from the following:

- Emmaus UK
- Foreshore Trust
- Francis and Eric Ford Trust
- The Queen Mother's Clothing Guild

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, through the pandemic the trustees decided that it was prudent to retain additional contingency in the medium term. This position has been kept under review, and it is now considered appropriate to return to the previous three month criterion.

## **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. As described earlier in this report, it continued to prove unexpectedly difficult to grow companion numbers back towards capacity through 2022/23 and doing so must remain a primary objective for 2022/23. Alongside this is the need to ensure companion records meet the requirements of the Supported Housing (Regulatory Oversight) Act. With the financial years 2021/22 and 2022/23 having seen no interruptions in trading due to Covid, it seems reasonable to assume that this will continue and is reflected in the trading forecasts below. These make no allowance for the impact on trading of completion of the long-awaited link road in front of the site, although there are still rumours of a temporary link. Improvements to trading areas at Whitworth Road, to take advantage of the anticipated increase in footfall that this would bring are complete; increased resource to the business would be provided by the increased companion numbers referred to above. Increased trading income would, in turn, allow increased support to meet the requirements of the Supported Housing Act if this proved necessary.

The key objectives for the year to June 2024 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.
- To plan for implementation of the common companion record system being developed by EUK in response to the requirements of the Supported Housing (Regulatory Oversight) Act 2023.
- For the social enterprise, a 9% rise in turnover to £354k is targeted for 2023/24, made up of shop sales of £295k at Whitworth Road, £36k at Bexhill and other trading income of £23k.
- To continue to improve brand awareness of Emmaus and what we do across the local area through increased use of social media & other platforms, to further build on the success of recent years in attracting a younger demographic of customer and supporter.
- To continue to maintain and where possible improve the material condition of the accommodation block, trading building and outside areas of the site and to seek funding for improved energy efficiency in the face of the recent 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 its 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 proper accounting records that can 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 27/3/2024 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 ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 June 2023.

#### **Responsibilities and basis of report**

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

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

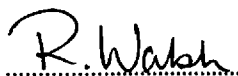
#### **Independent examiner's statement**

Since 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 , 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

27/03/24

39 High Street  
Battle  
East Sussex  
TN33 0EE

**Emmaus Hastings and Rother**

**Independent Examiner's Report to the trustees of Emmaus Hastings and Rother ('the Company')**

Date: 27/3/2024

## Emmaus Hastings and Rother

### Statement of Financial Activities for the Year Ended 30 June 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2023 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	57,284	29,941	87,225
Charitable activities	4	420,450	-	420,450
Investment income	5	2,693	-	2,693
Other income	6	27,485	-	27,485
Total Income		<u>507,912</u>	<u>29,941</u>	<u>537,853</u>
<b>Expenditure on:</b>				
Charitable activities	7	(464,355)	(50,071)	(514,426)
Governance costs		<u>(4,800)</u>	<u>-</u>	<u>(4,800)</u>
Total Expenditure		<u>(469,155)</u>	<u>(50,071)</u>	<u>(519,226)</u>
Net income/(expenditure)		38,757	(20,130)	18,627
Transfers between funds		<u>(3,129)</u>	<u>3,129</u>	<u>-</u>
Net movement in funds		35,628	(17,001)	18,627
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>748,709</u>	<u>435,913</u>	<u>1,184,622</u>
Total funds carried forward	21	<u><u>784,337</u></u>	<u><u>418,912</u></u>	<u><u>1,203,249</u></u>

The notes on pages 14 to 27 form an integral part of these financial statements.

## Emmaus Hastings and Rother

### Statement of Financial Activities for the Year Ended 30 June 2023 (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	<u>1,580</u>	<u>-</u>	<u>1,580</u>
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>

All of the charity's activities derive from continuing operations during the two periods: 2021/22 (shown above) and 2022/23 (shown on the previous page).

The funds breakdown for 2021/22 and 2022/23 is shown in note 21.

The notes on pages 14 to 27 form an integral part of these financial statements.

**Emmaus Hastings and Rother**  
**(Registration number: 6429969)**  
**Balance Sheet as at 30 June 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	14	861,022	897,387
<b>Current assets</b>			
Stocks	15	3,044	3,874
Debtors	16	32,626	31,603
Cash at bank and in hand	17	356,246	298,818
		<u>391,916</u>	<u>334,295</u>
<b>Creditors: Amounts falling due within one year</b>	18	<u>(43,022)</u>	<u>(40,393)</u>
<b>Net current assets</b>		<u>348,894</u>	<u>293,902</u>
<b>Total assets less current liabilities</b>		1,209,916	1,191,289
<b>Creditors: Amounts falling due after more than one year</b>	19	<u>(6,667)</u>	<u>(6,667)</u>
<b>Net assets</b>		<u>1,203,249</u>	<u>1,184,622</u>
<b>Funds of the charity:</b>			
<b>Restricted</b>		418,912	435,913
<b>Unrestricted income funds</b>			
Unrestricted		<u>784,337</u>	<u>748,709</u>
<b>Total funds</b>	21	<u>1,203,249</u>	<u>1,184,622</u>

For the financial year ending 30 June 2023 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 notes on pages 14 to 27 form an integral part of these financial statements.

**Emmaus Hastings and Rother**

**(Registration number: 6429969)**

**Balance Sheet as at 30 June 2023**

The financial statements on pages 10 to 27 were approved by the trustees, and authorised for issue on .....27/3/2024.....  
and signed on their behalf by:

.....  
A D Pirk  
Trustee

The notes on pages 14 to 27 form an integral part of these financial statements.

## **Emmaus Hastings and Rother**

### **Notes to the Financial Statements for the Year Ended 30 June 2023**

#### **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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **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.



## **Emmaus Hastings and Rother**

### **Notes to the Financial Statements for the Year Ended 30 June 2023**

#### ***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.

#### ***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.

#### ***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.

**Emmaus Hastings and Rother**

**Notes to the Financial Statements for the Year Ended 30 June 2023**

**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 2023**

#### **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 2023**

#### **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 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 2023

#### 3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Donations and legacies;				
Donations from individuals	56,934	-	56,934	17,855
Grants, including capital grants;				
Grants from other charities	-	28,365	28,365	-
Grants from companies	350	1,576	1,926	46,534
	<u>57,284</u>	<u>29,941</u>	<u>87,225</u>	<u>64,389</u>

#### 4 Income from charitable activities

	Unrestricted General £	Total 2023 £	Total 2022 £
Sale of second-hand donated goods	328,635	328,635	296,458
Accommodation for homeless people	91,815	91,815	106,728
	<u>420,450</u>	<u>420,450</u>	<u>403,186</u>

#### 5 Investment income

	Unrestricted funds General £	Total 2023 £
Other income from current asset investments	<u>2,693</u>	<u>2,693</u>

## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### 6 Other income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Rental income	2,145	2,145	1,580
Other income insurance claim	25,340	25,340	-
	<u>27,485</u>	<u>27,485</u>	<u>1,580</u>

The insurance claim of £25,340 in the year to 30 June 2023 relates to storm damage to the accommodation block. The corresponding repair expenditure amounted to £26,832 and is included in the expenditure on charitable activities for the year within the heading "Accommodation for the homeless" (see note 7 below).

#### 7 Expenditure on charitable activities

Note	Unrestricted General £	Restricted £	Total 2023 £	Total 2022 £
Sale of second-hand donated goods	119,306	26,787	146,093	118,851
Accommodation for the homeless	160,967	23,284	184,251	158,265
Grant funding of activities	628	-	628	907
Staff costs	183,454	-	183,454	172,842
	<u>464,355</u>	<u>50,071</u>	<u>514,426</u>	<u>450,865</u>

In addition to the expenditure analysed above, there are also governance costs of £4,800 (2022 - £3,572) which relate directly to charitable activities. See note 8 for further details.

## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2023

	Sale of second-hand donated goods	Accommodation for the homeless	Total
	£	£	£
Grant repayments to Emmaus UK	-	628	628
Cost of good sold	8,647	-	8,647
Employment costs	183,454	-	183,454
Companions' costs	211	95,689	95,900
Training costs	-	-	-
Establishment costs	29,926	19,330	49,256
Repairs and maintenance	43,901	37,783	81,684
Office expenses	8,125	1,406	9,530
Sundry and other costs	17,724	-	17,724
Motor expenses	18,070	811	18,881
Travel and subsistence	928	631	1,558
Advertising and promotion	1,143	-	1,143
Bank charges	3,525	-	3,525
Interest payable	-	-	-
Depreciation of tangible fixed assets	13,894	28,601	42,495
Profit on disposal of tangible fixed asset	-	-	-
	<u>329,548</u>	<u>184,879</u>	<u>514,426</u>

## 8 Analysis of governance and support costs

### Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Independent examiner fees			
Examination of the financial statements	4,800	4,800	3,500
Legal fees	<u>-</u>	<u>-</u>	<u>72</u>
	<u>4,800</u>	<u>4,800</u>	<u>3,572</u>

## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### 9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £	2022 £
Depreciation of fixed assets	<u>42,495</u>	<u>44,513</u>

#### 10 Trustees remuneration and expenses

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

#### 11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	165,776	158,911
Social security costs	11,764	7,979
Pension costs	<u>5,914</u>	<u>5,952</u>
	<u>183,454</u>	<u>172,842</u>

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

	2023 No	2022 No
Community Managers	1	1
Business and Support Managers	3	2
Finance Managers	1	1
Retail Assistants	1	1
E-Sales Project Lead	<u>-</u>	<u>1</u>
	<u>6</u>	<u>6</u>

Contributions to the employee pension schemes for the year totalled £5,914 (2022 - £5,952).

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



## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### 12 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	<u>4,800</u>	<u>3,500</u>

#### 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 2022	1,280,245	33,574	47,621	1,361,440
Additions	<u>5,930</u>	<u>200</u>	<u>-</u>	<u>6,130</u>
At 30 June 2023	<u>1,286,175</u>	<u>33,774</u>	<u>47,621</u>	<u>1,367,570</u>
<b>Depreciation</b>				
At 1 July 2022	385,603	30,829	47,621	464,053
Charge for the year	<u>40,941</u>	<u>1,554</u>	<u>-</u>	<u>42,495</u>
At 30 June 2023	<u>426,544</u>	<u>32,383</u>	<u>47,621</u>	<u>506,548</u>
<b>Net book value</b>				
At 30 June 2023	<u>859,631</u>	<u>1,391</u>	<u>-</u>	<u>861,022</u>
At 30 June 2022	<u>894,642</u>	<u>2,745</u>	<u>-</u>	<u>897,387</u>

#### 15 Stock

	2023 £	2022 £
Stocks	<u>3,044</u>	<u>3,874</u>

## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### 16 Debtors

	2023 £	2022 £
Prepayments	8,281	7,347
Other debtors	24,345	24,256
	<u>32,626</u>	<u>31,603</u>

#### 17 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	575	575
Cash at bank	355,671	298,243
	<u>356,246</u>	<u>298,818</u>

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

	2023 £	2022 £
Trade creditors	11,113	6,620
Other loans	6,333	6,333
Other taxation and social security	2,439	-
Other creditors	737	8,251
Accruals	22,400	19,189
	<u>43,022</u>	<u>40,393</u>

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

	2023 £	2022 £
Other loans	<u>6,667</u>	<u>6,667</u>

#### 20 Contingent liabilities

Since the charity's inception, grants totalling £266,137 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 £8,035 to Emmaus UK therefore reducing the outstanding repayable amount to £258,102. 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 2023

#### 21 Funds

	Balance at 1 July 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 June 2023 £
<b>Unrestricted funds</b>					
<i>General</i>					
General funds	738,709	507,912	(469,155)	(3,129)	774,337
<i>Designated</i>					
Second retail outlet fund	10,000	-	-	-	10,000
<b>Total unrestricted funds</b>	<b>748,709</b>	<b>507,912</b>	<b>(469,155)</b>	<b>(3,129)</b>	<b>784,337</b>
<b>Restricted funds</b>					
Accommodation block building fund	375,657	-	(24,274)	225	351,608
Trading building improvements fund	5,200	-	(3,492)	3,140	4,848
Lloyds Foundation Grant	4,913	-	(1,638)	-	3,275
CRASH Grant	9,987	-	(368)	-	9,619
Emmaus UK Grant	2,227	1,326	(47)	980	4,486
Co-op Community Foundation	4,236	-	(2,854)	-	1,382
Postcode Lottery	6,821	-	(1,948)	-	4,873
Companion Training / Move on Support	2,079	-	-	-	2,079
Gym Project	15,131	250	(10,870)	-	4,511
SESF	4,144	-	(1,216)	(1,216)	1,712
Sainsburys Eat Better Grant	933	-	-	-	933
Screwfix Foundation	4,585	-	(3,364)	-	1,221
Emmaus UK Solar Grant	-	24,000	-	-	24,000
Foresure Trust	-	4,365	-	-	4,365
<b>Total restricted funds</b>	<b>435,913</b>	<b>29,941</b>	<b>(50,071)</b>	<b>3,129</b>	<b>418,912</b>
<b>Total funds</b>	<b>1,184,622</b>	<b>537,853</b>	<b>(519,226)</b>	<b>-</b>	<b>1,203,249</b>

## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2023

	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 June 2022 £
<b>Unrestricted funds</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 funds</b>	<b>729,147</b>	<b>427,621</b>	<b>(405,047)</b>	<b>(3,012)</b>	<b>748,709</b>
<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
Arnold Clark Foundation	-	1,000	(1,000)	-	-
Postcode Lottery	8,769	-	(1,948)	-	6,821
Companion Training / Move on Support	-	2,079	-	-	2,079
Gym Project	-	16,502	(1,371)	-	15,131
Rayne Foundation	-	10,049	(10,049)	-	-
SESF	5,360	-	(1,216)	-	4,144
Sainsburys Eat Better Grant	-	1,300	(367)	-	933
Screwfix Foundation	-	4,585	-	-	4,585
<b>Total restricted funds</b>	<b>440,757</b>	<b>41,534</b>	<b>(49,390)</b>	<b>3,012</b>	<b>435,913</b>
<b>Total funds</b>	<b>1,169,904</b>	<b>469,155</b>	<b>(454,437)</b>	<b>-</b>	<b>1,184,622</b>

## Emmaus Hastings and Rother

### Notes to the Financial Statements for the Year Ended 30 June 2023

#### 22 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2023 £
Tangible fixed assets	485,054	375,968	861,022
Current assets	348,972	42,944	391,916
Current liabilities	(43,022)	-	(43,022)
Creditors over 1 year	(6,667)	-	(6,667)
Total net assets	<u>784,337</u>	<u>418,912</u>	<u>1,203,249</u>

	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>

#### 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 (2022 - £5,000).