

EMMAUS NORTH EAST
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 30 June 2023

Charity Number 1131408
Company Number 06820441

EMMAUS NORTH EAST

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TRUSTEES ANNUAL REPORT

For the year ended 30 June 2023

The Trustees, who are also the directors of the Charity for the purposes of the Companies Act, submit their report and financial statements of Emmaus North East (ENE; the Charity) for the year ended 30 June 2023. The financial statements comply with the Charities Act 2011, the companies Act 2006, the Memorandum and Articles of Association and the requirements of Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable to the United Kingdom (FRS102).

Chairs Statement – John Machin

Following a very challenging 21/22, the last twelve months have, thankfully, been less turbulent. The Charity received several grants, and these allied to improved performances from its Social Enterprises meant the Charity had an income in excess of £500,000 for the first time. A landmark indeed!

Following on from last year's recruitment of Ruth Parker as ENE's CEO, the Charity further professionalised and upskilled its Management Team with the appointment of a new Retail Manager, Community Manager and Volunteer Co-ordinator. I believe this new management team has immeasurably strengthened ENE and gives the Charity every possibility to develop strongly in the coming years.

Last year we expanded the room capacity of the Charity. This allowed us to look after 21 Companions compared to our previous capacity of 15 Companions. I am pleased to report that the Charity has been successful in filling these rooms and thus helping more people in our area.

A highlight of recent times was the opening of ENE's new and flagship shop, Lucie's Legacy, in the Viking Centre, Jarrow. This store is trading well and starting to impact ENE's profitability in a positive way. In 23/24, we intend to further develop our retail activities along with developing other income streams.

Gaining financial sustainability is foremost amongst our strategic objectives along with improving the outcomes and experiences of the Companions we support within ENE. To achieve this the Charity has initiated a major project known as Project Radical. Project Radical will look at the activities we perform within ENE and determine ways to restructure and re-engineer the Charity so that financial sustainability will be achieved. This is a major project for the Charity and will go a long way to determine our future and the activities we will undertake.

Finally, I must also thank all our funders and those people and organisations who donated either cash, services, or goods to Emmaus North East. Without you, it would not be possible to operate our Charity and help the people that we do.

John Machin

Chair of Board of Trustees

Emmaus North East

CEO's Statement – Ruth Parker

Chief Executive Officer

Having celebrated a year in post at Emmaus North East in July 2023, the role has been both challenging, rewarding and often very unpredictable. Seeing someone enter Emmaus with many deep rooted problems and witnessing their journey to a more positive future will continue to drive what I do. The need to change takes courage and determination and it is important that those in influential positions within government understand this and also understand the many varied reasons why people end up homeless. The cost of living crisis, lack of affordable housing and economic climate has increased the number of homeless people, including homeless young people. This is rarely a journey of choice and more funding is needed to ensure that we combat this issue.

The year has been financially challenging for the Charity and there have been several changes to the staff team. It was pleasing to see the opening of our first superstore, Lucies' Legacy and this has the ability to change the financial landscape of ENE. We are not stopping there though and there are plans for further growth in early 2024. Additional income means that we are able to offer more to more homeless people and this is at the heart of what we do. It is also pleasing to report that our income exceeded the £500K which was achieved through the generosity of funders and donors.

The Board have agreed a new Strategic Plan with the main focus being on Companion wellbeing, making positive changes to the Charity and the impact it has on the community and being financially secure. There has been significant changes to the staff team and the improved skills and experience will enable the strategic and operational objectives to be achieved. I am proud to be leading such a hard working and committed team of people. The increase in volunteer numbers under the newly launched Community Activator project will greatly assist and I am looking forward to seeing how this project develops.

We will continue to use the voice of our beneficiaries to scrutinise our work with a main focus being on Companion outcomes and experience. We are increasing our influence within Emmaus UK, being active members of numerous EUK peer groups and leading some of the Regional work for Scotland and the North East. This is also happening at a local level with ENE being active members of several multi agency partnerships and an integral part of the community.

We will continue to create a North East England where homeless people are supported by us to rebuild their lives through training and our social enterprises, making sure that we are an integral part of the local community. Companion wellbeing and confidence will remain at the heart of what we do and we will strive to continue to help more and more people.

I would like to thank the staff team, companions, volunteers and Trustees for their commitment, hard work, determination and scrutiny. This is a unique partnership that works and will, continue to make our vision a reality in the years to come. The appreciation must

also be extended to our doners without whom we would not be able to support the numbers of people we do.

With best wishes
Ruth

RUTH PARKER
CEO

Policies and Objectives

In setting the Charity's objectives, plans and activities, the Trustees have given due consideration to guidance published by the Charity Commission relating to public benefit and to its supplementary public benefit guidance.

The **medium - long-term objectives** for the Charity are:

1. To ensure that the social enterprises are self-sufficient, whereby the income generated from their activities cover all their operating expenses
2. To agree an income strategy to allow growth and sustainability
3. To increase the size of its community facilities and Companion numbers, either by development of a further residence or the acquisition of "*move on*" flats for Companions who are transitioning between residing in the community and independent living in their own accommodation
4. To improve the opportunities for Companions to "move on" from ENE and gain worthwhile employment in the outside world, extending their work experience and training opportunities available to them
5. To have ENE recognised as a major charity in the North East of England, influencing positive change for those who have suffered or are suffering from homelessness.

The Charity's **short-term objectives** are to:

1. Expand its retail operations, introducing a new Superstore and expanding On-Line sales
2. Develop a profitable social enterprise workshop where furniture and other wood-based items are manufactured or upcycled and sold in the retail outlets and online
3. Find and develop other social enterprise income streams and additional projects
4. Improve the training and development pathways ENE offers to its Companions.
5. Develop the brand image and awareness of ENE in North East England and beyond
6. Develop the experience and skills of the staff team with an aim of introducing new specialist roles

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Once its objectives are achieved, the Charity will be in a strong position to support and fully contribute to the ethos and values of the Emmaus movement.

About Emmaus

Emmaus is a homelessness charity with a difference. Emmaus does not just give people a bed for the night; it offers a home, meaningful work, and a sense of belonging. For many people who have experienced homelessness, losing their self-esteem can be the most damaging part of their experience. Being on your own can be soul destroying, leaving you feeling worthless. Emmaus is different because it provides a home for as long as someone needs it; in an Emmaus community. This gives Companions, as we call our residents, the opportunity to take stock of their lives, deal with any issues they might have, and often re-establish relationships with loved ones.

The Emmaus movement (including Emmaus International).

The Emmaus movement and its 425 member organisations in Europe, Africa, Asia, and the Americas continue to engage at a local level with people who have experienced social exclusion to access their fundamental rights and, through their collective action, demonstrate there are credible alternatives to injustice.

Emmaus in the UK.

The first UK Emmaus Community was established in 1992. Today 29 Emmaus communities are operational, with others in the course of development.

An Emmaus UK Community offers homeless people a chance to regain their self-respect through living and working in a supportive environment which combines residential accommodation with self-supporting social enterprises. These enterprises, mainly retail, are based largely on the collection and sale of donated goods as well as refurbishment and recycling of various goods and scrap materials in line with the principles of a circular, low waste economy.

Additionally, Emmaus Communities work with a “solidarity concept” whereby they help sister Communities by donating goods for sale in their retail outlets and financial support if needed.

Each Emmaus Community in the UK whilst being an independent legal entity commits to follow the values and ethos of the Emmaus movement as a whole.

Emmaus UK (EUK).

Emmaus UK is the federal body for Emmaus in the UK. Each member of Emmaus UK - either a community or group - is an independent charity, governed by a local board of trustees.

The Federation also offers fundraising and publicity support and provides grants and loans to enable further development of existing Emmaus communities and groups, and the expansion of Emmaus in the UK.

Emmaus North East (ENE).

Established fourteen years ago, ENE is a legally independent charity based in South Tyneside in North East England. It focuses upon providing support to homeless people and works within

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the Emmaus movement's ethos and values. ENE is a member of the EUK Federation and Emmaus International movement.

ENE aims to combat homelessness. It provides people with a home, work and encourages solidarity with others in a similar position. It gives Companions a choice and a chance. It welcomes people from all backgrounds and all causes of homelessness. ENE is supported by a wide range of funders and partners who provide both financial and in-kind support. This funding both supports the community and helps the ENE social enterprises grow and thrive.

ENE's vision is *"to help create a North East England where homelessness and hopelessness have been abolished"*.

ENE's mission is *"to enable homeless people in the North East rebuild their lives through social enterprises which also involve and enrich the local community"*.

The core values of the charity are:

Value and **respect** every person, opposing injustice.

Be **transparent** and **honest** in all our dealings.

Demonstrate **solidarity** and support for those in need.

Create an environment of **empowerment**.

Share and exchange resources, skills and learning.

Support and foster **interdependence** and **independence**.

Work to love and give.

ENE's operations are centred around its community residences at 253, 255 and 257 Stanhope Road, South Shields where ENE is able to offer permanent accommodation and support to 21 companions with ambitions to expand further. Referrals are received from across the North East and beyond and ENE is now recognised as an integral part of the community in South Tyneside.

The Charity provides safe accommodation, meaningful work and peer and pastoral support to its Companions. This way of working means Companions are able to recover their confidence and self-respect and make a fresh start to rebuild their lives. ENE tries to ensure all Companions are able to move onto independent living and employment when they are ready, but there is no time limit for this and Companions are welcome to stay in the community for as long as they like and need with several companions making their homes at ENE for over 5 years.

ENE focuses upon its Companions and seeks to ensure they have a consistent core offer outlining the mutual expectations of both ENE and themselves. All Companions are enabled and encouraged to participate fully in ENE and its activities.

There are three critical features of ENE that make it different to some of the other support offered to homeless people:

ENE provides a home – Companions have a room to call their own and a place to call home alongside other people who understand their situation. The house has clear rules, meaning it provides a safe and secure environment for everyone; Safeguarding is of highest priority with annual reviews of processes and policies.

ENE gives people focus, meaning and structure – Companions volunteer for a 40-hour week at ENE. This includes training, activities to improve health and wellbeing and access to an in

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house trauma informed therapist. This provides the Companions with structure and a focus for each day and productive activity to engage with. The Community Wellness pilot has been of national focus with several communities trying to replicate it.

ENE judges people on today's actions not yesterday's – Companions have the opportunity to change and are given the chance to change. Emmaus North East will not work for everyone, but everyone is given a chance.

Emmaus North East has three strands of delivery:

- *Home – providing up to 21 Companions with community living at its South Shields residences.*
- *Work – all Companions volunteer in the Charity's businesses and social enterprises. The Social Enterprises provide Companions with a structure, routine and increases their skills and work based experience.*
- *Solidarity – ensuring all work provides opportunities for Companions to feel part of groups, to feel like they are part of something bigger and are giving back to the community.*

In terms of its social enterprises, ENE operates three (3) retail outlets in various areas of the North East (Jarrow, Low Fell and Hebburn), a fully equipped workshop in South Shields where furniture is upcycled and restored and various items made from wood are designed and produced. We also have a house clearing services an on-line retail business and opened Lucie's Laundry in April 2023, offering free services to the community to combat the cost of living crisis. This has also become a registered community warm space and ENE recently celebrated receiving a national award.

Legal work is underway to extend the retail enterprises in Jarrow with ENE planning to move into a former Argos store in 2024. This is just the first stages of planned growth.

Emmaus North East (ENE) - Review of achievements and performance in 2022 / 2023.

Brief Overview

Income from charitable activities in the period of £112K (£110K, 2021/2022) was due to generous grants from several institutions, the details of which are shown in the financial statement attached.

For the year ended 30 June 2023 the Charity's social enterprises (shops in Low Fell, Hebburn and South Shields), the workshop in South Shields and other activities such as house clearances and On-Line retail achieved combined sales for the year of £166K – an increase of £3K on the sales achieved in 2021/ 2022. Whilst it was pleasing to see a modest increase the figure achieved was well below the expected level based on normal trading. However with a new Retail Manager in position and the commencement of trading Lucie's Legacy in Jarrow in September 2023 it is expected that retail incomes will increase in subsequent years.

Housing Benefit received in the year was £217K compared to £170K in 2021/2022 This increase was driven by higher Companion numbers residing in the Stanhope Road residence during the year driven by more active management of the referral pathways and a new housing benefit settlement agreed with South Tyneside Council.

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Overall, for the year, the Charity incurred a deficit of £127K compared to 2021/2022 when a deficit of £73K was recorded. Of this 2022/2023 deficit £33K arose from restricted funds and £94K from unrestricted funds. Carried forward reserves of £786K (£913K, 2021/2022) is represented by £14K of restricted funds (£47K, 2021/2022) and a balance of £772K (£865K, 2021/2022) in unrestricted funds, most of which is in relation to the property owned by the Charity. It is the Trustees' policy to try to hold a minimum of three months' expenditure in reserve.

Following significant Capital Expenditure in the 2021/2022 on the refurbishment of 253 and 255 Stanhope Road (£81K), there has been minimal Capital Expenditure of £1K in 2022/2023.

Fixed costs for the year were £651K an increase of £116K (22%) over the previous year. Trustees are fully aware of the increasing cost base of the Charity. Expenditure is tightly controlled and monitored. However, the Trustees view the Charity as being in a growth phase where significant investments are required and have been made – with the natural outcome of increased fixed costs. It is anticipated fixed costs should stabilise within the next 12 - 18 months together with continued increases in income to support the increased cost base.

- *The community residence at 257 Stanhope Road has been at 75% capacity for most of the financial year.*
- *Completion of the Northern Gas Customer Energy Village project.*
- *The two properties at 253 and 255 Stanhope Road have been almost fully occupied since and used for many months as female only homeless accommodation.*
- *ENE worked throughout 2023 on the plans to open the first superstore named Lucie's Legacy which has the ability to transform the financial landscape of the retail operations.*
- *ENE opened Lucie's Laundry, the only free community laundry in the country and is assisting other Local Authority areas to try to replicate this. This venture resulted in ENE receiving a national award and significantly raised the profile of the charity and social media following*
- *ENE's financial position has been challenging with the finance committee rising to the challenge to mitigate any risks.*
- *ENE was the first Emmaus community to introduce trauma informed therapy with the introduction of the Community Wellness pilot.*
- *ENE has attracted several new funders, including a potential future partnership with a corporate.*
- *Throughout 2023, ENE worked towards the launch of the Community Activator project, targeting members of the community who are lonely and socially isolated to volunteer.*
- *ENE staff members received Environmental and Sustainability training and have started the work to achieve Investors in the Environment accreditation.*
- *Published the first ENE Social Impact Report centred around the 17 international Sustainable Development goals.*
- *Registered 100% of Companions with a GP*
- *Supported over 100 Companions*

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- *98% of Companions have a bank account and a form of ID*
- *A Companion won the BBC Make a Difference award in the category of bravery.*
- *CEO now the Regional Chair for the Emmaus Scotland and North East Partnership.*
- *ENE hosted a national conference for all Emmaus Executive Leads with guest speakers and several new business activities.*

Annual Report

During the period under review the Charity has succeeded in further consolidating and developing its Community in the North East and building its social enterprises. This was a main part of the 5-year plan which we are proud of, although the ambition is to continue to grow the number of Companions we can help and in turn increase profitable social enterprises.

The support provided by EUK is appreciated and demonstrates the benefit of being part of this federation. We continue to work in partnership with EUK and other Emmaus's, sharing best practice and committing to various national strategic groups.

We are now in a post lockdown period which has set a new set of issues to overcome with the 'cost of living' crisis and a greater need than ever to support those suffering from poverty and deprivation. This includes the increased costs for the charity in maintaining the community accommodation and utilities. In response to this, Emmaus North East has opened Lucie's Laundry, been successful in applying for funding to improve the energy efficiency of our accommodation and is campaigning for change for more affordable homes. The CEO, staff and Companions have been involved in several podcasts and interviewed by the media on numerous occasions.

The primary beneficiaries of the work of ENE are its Companions who live in the community and work in the enterprises ENE operates. ENE, however, also supports a much broader range of people. These include volunteers, who help the running of the shops and workshop, and the wider community, who are supported through other activities. In recent months, the volunteer numbers have more than doubled and activities have been planned with more than 6 large groups of corporate volunteers. This is celebrated and promoted in the ENE quarterly newsletters.

Demand for the services and opportunities provided by the ENE offer remains strong. The Charity also recognises that growing its community means commensurately growing the range of businesses on offer to provide a sustainable income stream and to offer a range of opportunities for Companions.

Homelessness can happen to anyone, and the variety of reasons for which people find themselves homeless are wide and varied. This inevitably means the outcomes people experience will also vary. Outcomes for the Companions are of highest priority and that is why we have developed a new Performance Management Framework with a set of high level and supporting Key Performance Indicators. Here is some of the feedback we have received:

"Everyone thinks when a person is homeless they're either a drug addict or an alcoholic, but it's not the case. For me, it was a marriage breakdown and that can happen to anyone."

"If someone was thinking about joining Emmaus I'd say just go for it. There are loads of opportunities for people to learn things and get training in whatever they want. I'm really happy

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here, it's a peaceful life. If I want alone time I can have it, if I want to socialise with the others I can."

Tony

"I still class myself as being in recovery and Emmaus is a good place to feel secure. There are rules around drugs and alcohol, and it just feels like that next step after rehab. You get help and support to allow you to get to that next stage in life".

Rob

Emmaus North East often provides opportunities to people that other organisations are reluctant to work with. This includes people who have a wide variety of issues and needs. But the complex nature of people looking for places is increasing and there is a need to be realistic about the support that Emmaus North East can offer. Another issue recognised by partners and staff is the number of Companions presenting with more complex mental health issues, some may be connected to the pandemic and the delays within the medical system to address these. This is the reason why numerous and timely pathways of support are being developed and will form part of our future plans. The quarterly reports from the Community Wellness pilot has highlighted an improvement in mental health of all Companions who have been referred to the support.

Everyone who lands at an Emmaus is on a journey. The reality for people struggling with addiction, mental illness and childhood trauma is this is rarely a straightforward journey. At ENE we support people who are determined to change but will often experience setbacks along the way. Not every person we support has a happy ending and not everyone succeeds on their first, second or third encounter with an Emmaus. But our ethos is to only judge in the present time and to give people periods of their life where they can experience meaning, purpose and hope.

The impact of ENE and the support offered is measured using an outcome model. On arrival within the community, Companions will agree an individual support plan and will have regular sessions of support, the timing of each based on their needs. They are registered immediately with a GP and referred to appropriate support where this cannot be provided 'in house'. The Companions progress and wellbeing is assessed in many areas, self-esteem, confidence, employability, mental health, financial management and readiness to move on. Progress is assessed carefully and the results of these assessments used to guide future improvements and changes to the pathway of care and support. In recent months, ENE has launched a new case management system which will improve performance reporting and provide vital information in relation to the demographics of the community against the nine protected characteristics.

Progressions are a key part of ENE and for many the progression involves securing their own tenancy. ENE does not have a time limit on how long someone can stay, and the turnover of Companions depends on many factors. The Charity works with a wide range of partners to promote its activities and to reach the people who will benefit most from its work. ENE is involved in a fortnightly multi agency rough sleepers group and is represented on many strategic partnerships. ENE seen as an essential part of public safety within South Tyneside.

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Volunteers and Companions also come to us from a wide variety of sources including their own recognition that it is time for a change. The new structured volunteering program will result in more positive outcomes for volunteers and the Charity as a whole.

ENE is pleased to report that its partnerships further developed over the year and these partnerships became a key part of the work the Charity's operation. The Charity has a wide range of partners who contribute to different elements of ENE and ENE is a member of the South Tyneside Pledge.

Referral Partners

Our referral partners work with us regarding referring people to become Companions or volunteers in the Charity. Our partners in this area include;

- DWP for referrals on work placements through the local job centres as the Charity is able to offer volunteer placements in its workshop and other enterprises. This allows both the recruitment of a large pool of volunteers to support our enterprises and helps people back into work;
- The Probation service. ENE works closely with the Probation Service providers in the local area. They are an increasingly valuable source of referrals for volunteers for our shops and other enterprises. The Charity has had considerable success retaining volunteers who have been referred through the probation service;
- Prisons – ENE works closely with HMP Northumberland to advertise the opportunity for both Companions and volunteers as people are approaching the end of their sentences;
- South Tyneside Homes;
- South Tyneside Council and other Local Authorities;
- De Paul;
- Basis;
- Betel;
- Centrepont;
- The Salvation Army;
- Northumbria Police;
- EUK;
- Oasis Community Housing;
- SAAFA;
- Crisis Skylight;
- Shelter; and many more.

Fund Providers

The Charity was also supported by many companies and charitable organisations who gave grants to ENE during the year and, also many private individuals. Major fund providers during the year were;

Lloyds Bank Foundation for England and Wales;
EUK;
The Edward Gosling Foundation;
Community Foundation Tyne and Wear P&G Fund;
Newcastle Building Society;
South Tyneside Know Your Neighbourhood Fund;
The Ridley Family Trust;
Rothley Trust;
The Rank Foundation;
Sir James Knott; and
The Barbour Foundation.

ENE is also really grateful to all of our individual supporters who have gave regular small donations, all of which help us to support more homeless people.

In terms of marketing and communication ENE has an active Twitter account where the Charity posts about its work and thank the many generous donations we receive from the wider community. ENE's Facebook page allows the showcasing some of the products we create in the workshop. The ENE website provides a focus for all of the Charity's work and key announcements. This year the Charity saw a significant increase in usage of these social media tools along with significant interest in the Charity from local and regional papers. A new Communications and Marketing Strategy has since been developed for 2023/2025 with the aim on increasing awareness of ENE and public confidence in it.

In 2022/2023 the Charity's retail activities remained stable with retail sales at £166K which compares to £163K from the previous year. Subsequent to the year- end, ENE began trading from Lucie's Legacy, with early sales being very positive. The ambition for 2024 is to open our first ENE Superstore selling many pre-loved items which has the potential to significantly increase income and change the future landscape for ENE.

Fundraising from external donors is and will remain an integral part of the Charity's activities going forward. For this financial year, £139K was raised in grants and donations and an income. A strategy is in place for 2024 to target additional donations and grants over and above that achieved in 2022/23.

Plans for the Future

The Charity's objective is to expand the number of Companions it can support by increasing accommodation across the North East area as a whole. This exercise started in 2021/2022 with the purchase of two new properties using a high percentage of the charity's reserves. The social enterprises have been extended with the opening of the first superstore, Lucie's Legacy in September 2023 with plans on the horizon to more than double the size of the store in early 2024. This will not only place Emmaus North East in a stronger financial position but is part

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of the strategy to help more homeless people, offering them emotional support, work experience, training and a sense of belonging.

There has been a significant change to the staff team in 2023, increasing the skills and experience of the team to ensure that they can rise to the challenges faced and commit to the work ahead.

An income strategy was agreed in 2023 that included increased housing provision, expansion of the business side of the charity and an aim to increase grants and donations to allow us to offer more to more homeless people. This aligns with our vision, mission and values and continues our work to support communities across the North East, with solidarity being of high importance.

The Board met in 2023 to agree the new Strategic Plan for 2023/2025 that is focussed on:

- Companion outcomes
- Being financially secure
- Having a positive influence
- Improving the Organisation.

The strategy is supported by an operational plan and reviewed on a regular basis.

ENE's Social Impact Report highlights the progress Emmaus North East has made against the 17 international Sustainable Development goals and makes reference to the charity's commitment to reducing its environmental impact. This work has recently been expanded in applying for 'Going Green Together' accreditation and measuring standards against the B-Corp framework.

Public benefit statement

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission for England and Wales in exercising their powers or duties.

The objectives of the Charity are the alleviation of homelessness and relief of poverty, hardship and the distress these cause to those in need. Our aims for achieving this are:

- working with Companions to realise their aspirations and potential;
- developing and sustaining our social enterprise to provide work for Companions and an income stream for the Charity;
- demonstrating organisational sustainability;
- demonstrating operational sustainability.

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees:

John Machin (Chair)
Gemma Trainor
Jessica Cook
Debbie Hamilton
Shelley Armstrong
Jake Hanmore
Jonathan Rook (Treasurer)

Key Personnel:

CEO

Ruth Parker (appointed July 2022)

Finance Manager

Sandy Lambrou

Company Secretary

David Knox

Company Registered Number

6820441

Charity Registered Number:

1131408

Registered Office:

Lee Siding
Long Framlington
Morpeth NE65 8JG

Independent Examiners:

Jim Dodds
33 The Glebe
Morpeth, NE61 6HW

Bankers:

HSBC Bank plc
110, Grey Street
Newcastle upon Tyne, NE1 6JG

Emmaus North East (ENE) is a member of the Emmaus Federation in the UK (EUK) and a full member of Emmaus Europe and Emmaus International. ENE is also a full member of the EUK North West partnership; a group of Communities based in North West England who share best practice with each other.

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Structure, governance, and management

The Charity is a limited liability company being limited by guarantee and not having a share capital. It was registered in England and Wales under the Companies Act 2006 on 6 February 2009 and its governing documents are its Memorandum and Articles of Association. The Charity was registered as a Charity with the Charity Commission for England and Wales on 27 August 2009.

The Charity is a member of the Emmaus Federation in the UK and a full member of Emmaus International and Emmaus Europe.

Emmaus UK organises and operates two important groups in which the Charity participates. The first group is the “*Chairs Peer Group*”. Here, all Chairs of Emmaus communities in the UK can get together in the presence of senior Emmaus UK personnel to discuss issues relating to Emmaus in the UK in general and their own community. The second group is the “*Executive Leads Peer Group*”. Here, all Chief Executives of Emmaus communities in the UK can get together in the presence of senior Emmaus UK personnel to discuss issues relating to Emmaus in the UK in general and their own community.

The direction and governance of the Charity is the responsibility of its Board of Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees who served during the period under review are shown on page 1.

The Charity is committed to ensuring a proper balance between paying our staff fairly, so that we attract and retain the best people for the job, and careful management of our Charity funds.

The Board presently operates one additional committee which is a Finance Committee, there are plans to develop other lead groups attached to the new Strategic Plan for 2023/2025.

Recruitment of Trustees

The management of the Charity is the responsibility of the Trustees, who are elected and co-opted under the terms of the Articles of Association.

Trustee nominations either come from other Trustees within the Charity and its supporters or via open advertisement and must be approved by existing Trustees, in accordance with the Articles of Association. When specific skills are required, approaches are made to people with relevant expertise who are sympathetic to the ethos of the Charity. If necessary, a Trustee would be co-opted specifically to cover the requirement function.

Each new Trustee is required to undertake an induction programme which includes briefings on their legal and ethical responsibilities as Trustees, the ethos and values of the Emmaus movement together with the governance, history and operation of ENE. It is intended to introduce annual appraisals of Trustees to measure their collective and individual performance and suitable training is offered in line with the NCVO Code of Governance.

The main Board meets bi-monthly with monthly finance committee meetings. There are standing agenda items on agenda with specific mention to Safeguarding and Health and Safety with additional areas regarding policy reviews and governance.

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A plan is in place to carry out a Board effectiveness review, reviewing the skills and expertise of Board members.

Brief Overview.

Income from charitable activities in the period of £112K (2022: £110) was due to generous grants from several institutions, the details of which are shown in the financial statement attached.

The Charity's social enterprises (shops in Low Fell, Hebburn and South Shields), the workshop in South Shields and other activities such as house clearances and On-Line retail achieved combined sales for the year of £166K – an increase of £3K on the sales achieved in 2022. The figure achieved was well below the expected level based on normal trading.

Housing Benefit received in the year was £217K (2022: 170K) This increase was driven by higher Companion numbers residing in the Stanhope Road residence during the year and a new housing benefit settlement agreed with South Tyneside Council.

Overall, for the year, the Charity incurred a deficit of -£127k (2022: -£73K). Of this deficit -£33K (2022: -£48K) came from restricted funds and -£93k (2022: -£25K) from unrestricted funds.

Carried forward reserves of £786K (2022: £913K) is represented by £14k (2022: £47K) of restricted funds and a balance of £772k (2022: £865K) in unrestricted funds, most of which is in relation to the property owned by the Charity.

Capital Expenditure for the year was £1k (2022: £81K), which was funded from the Charity's own resources.

Fixed costs for the year were £651K (2022: 535K) an increase of £116K (22%) over the previous year. Trustees are fully aware of the increasing cost base of the Charity. Expenditure is tightly controlled and monitored. However, the Trustees view the Charity as being in a growth phase where significant investments are required – with the natural outcome of increased fixed costs. It is anticipated fixed costs should stabilise within the next 12 - 18 months.

Reserves policy

The Reserves Policy has been reviewed by the Trustees. The objective of having an operational reserve equivalent to 3 month's operational costs still stands. This means the aim is to have £163K in reserves, currently £18k (2022: 66K) although it will take some time to reach this level on a consistent basis. The Trustees monitor to maintain protection under the FSCS compensation scheme. Reserves will be built up using income achieved from the Charity's trading operations.

Investment policy

The Charity has the power under the Memorandum and Articles of Association to make any investment which the Trustees see fit. Given the level of funds generated to date it is considered appropriate to keep funds in a form that is immediately accessible.

Risk management

The Board of Trustees regularly review the risks the Charity may face and is satisfied that systems are in place to mitigate exposure. However, the Trustees recognise that as the project progresses further factors may arise and will undertake further reviews from time to time. A Strategic Risk Register is in place which is reviewed by the CEO on a monthly basis and presented to the Board, the aim of which is to ensure mitigating action is taken to reduce risks to their lowest possible level. This is further supported by an Operational Risk Register reviewed on a monthly basis.

Principal risks and uncertainties

Short term, the principal risk facing the Charity centres around income. Should our retail outlets fail to develop and grow and should our fund-raising fall below expectation then this will put pressure on the finances of ENE.

Regarding retail, Operational and Finance management closely monitor this on a monthly basis and year-to-date sales through our KUDOS EPOS system which can follow sales on a daily basis from each of our outlets.

Fund raising is closely targeted on funds which will support activities required by the Charity.

A Fundraising Strategy is in place for 2023/2025 with the aim of diversifying income streams to ensure growth and sustainability of ENE.

Going concern

The financial statements have been prepared on a going concern basis. In making their assessment the trustees have reviewed and considered relevant information, including their annual budget and future cash flows. The Trustees are of the view that the immediate future of the charity for the next 12 months is secure and that on this basis the charity is a going concern.

Trustees' responsibilities

Company and Charity law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity and of the incoming reserves and application of reserves, including the income and expenditure of the charitable company for that period.

In preparing financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently,

EMMAUS NORTH EAST

(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 30 June 2023

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Charity will continue in operation.

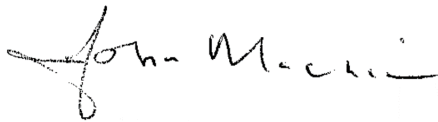
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets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

Independent Examiner

A resolution regarding the reappointment of Jim Dodds as Independent Examiner will be proposed at the Annual General Meeting.

This report was approved by the Trustees on: 27 February 2024

and signed on their behalf by:



John Machin
Chair of the Board of Trustees



Jonathan Rook
Trustee

EMMAUS NORTH EAST

(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 30 June 2023

I report on the financial statements of Emmaus North East for the year ended 30 June 2023, which are set out on pages 19 to 32.

Respective responsibilities of Trustees and Examiner

The Charity's Trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ('the Charities Act') and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a Fellow of the Association of Charity Independent Examiners.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

I 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.

Jim Dodds FCIE
33 The Glebe
Morpeth
NE61 6HW



Date: 27 February 2024

EMMAUS NORTH EAST

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

For the year ended 30 June 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<u>Income from:</u>					
Donations and legacies	6	26,196	-	26,196	19,230
Charitable activities					
Grants and contracts	7	21,769	90,565	112,334	109,842
Other trading activities	8	385,613	-	385,613	333,622
Investments	9	356	-	356	8
Total income		433,934	90,565	524,499	462,702
<u>Expenditure on:</u>					
Raising funds		216,650	34,795	251,445	239,411
Charitable activities					
Operation of the charity		310,649	89,132	399,781	295,895
Total expenditure		527,299	123,927	651,226	535,306
Net income/(expenditure) and net movement of funds		(93,365)	(33,362)	(126,727)	(72,604)
<u>Reconciliation of funds</u>					
Total funds brought forward		865,211	47,464	912,675	985,279
Total funds carried forward		771,846	14,102	785,948	912,675

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

The notes on pages 22 to 32 form an integral part of these accounts.

BALANCE SHEET

As at 30 June 2023

	Notes	£	Total 2023 £	£	Total 2022 £
Fixed assets					
Tangible assets	19		955,679		1,001,061
Total fixed assets			955,679		1,001,061
Current assets					
Debtors	20	26,167		48,794	
Cash at bank and in hand	21	48,495		102,745	
Total current assets		74,662		151,539	
Creditors: amounts falling due within one year	22	(42,308)		(37,758)	
Net current assets			32,354		113,781
Total assets less current liabilities			988,033		1,114,842
Creditors: amounts falling due after more than one year	23	(202,085)		(202,167)	
Total net assets or liabilities			785,948		912,675
Funds of the charity					
Unrestricted income funds			771,846		865,211
Restricted income funds			14,102		47,464
Total funds			785,948		912,675

The company was entitled to an exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.


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

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The notes on pages 22 to 32 form an integral part of these accounts.

These financial statements were approved by the Board on: 27 February 2024

and are signed on its behalf by: Jonathan Rook FCA
Treasurer



STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Notes	2023 £	2022 £
<u>Cash flows from operating activities</u>			
Net movement in funds		(126,727)	(72,604)
Depreciation		46,191	38,450
Investment income		(356)	(8)
Decrease in trade receivables		22,627	(22,462)
Increase in trade payables		4,550	4,397
<i>Net cash from operating activities</i>		<u>(53,715)</u>	<u>(52,227)</u>
<u>Cash flow from investing activities</u>			
Purchase of property, plant and equipment		(809)	(81,402)
Sale of property, plant and equipment		-	-
Interest received		356	8
<i>Net cash used in investing activities</i>		<u>(453)</u>	<u>(81,394)</u>
<u>Cash flow from financing activities</u>			
Increase in long term loan		-	-
Repayment of borrowing		(82)	(13,720)
<i>Net cash used in financing activities</i>		<u>(82)</u>	<u>(13,720)</u>
Decrease in cash and cash equivalents		(54,250)	(147,341)
Cash and cash equivalents at start of year		102,745	250,086
Cash and cash equivalents at end of year		<u>48,495</u>	<u>102,745</u>

The notes on pages 22 to 32 form an integral part of these accounts.

EMMAUS NORTH EAST

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts 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 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Emmaus North East meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The charity reported unrestricted funds at the year end of £771,846, and have already secured a significant amount of funding for the current year. The trustees are of the view that the immediate future of the charity for the next 12 to 18 months is secure and that on this basis the charity is a going concern.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability.

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

EMMAUS NORTH EAST

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

3.4 Donated goods and services

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided that the value of the gift can be measured reliably. Donated services and facilities that are consumed immediately are recognised as income with the equivalent amount recognised as an expense under the appropriate heading in the SoFA.

3.5 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the Trustees' Annual Report.

3.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

3.7 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

3.8 Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

3.9 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

EMMAUS NORTH EAST

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

4.2 Charitable activities

Expenditure on charitable activities includes the costs of children's and family services and other activities undertaken to further the purposes of the charity and their associated support costs.

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis, the charity does not currently have any tangible fixed

Freehold property	Straight line over 50 years
Property improvements	Straight line over 6 years
Fixtures and fittings	Straight line over 6 years
Motor vehicles	Reducing balance 25% pa

EMMAUS NORTH EAST

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
6 Donations and legacies				
Donations	9,697	-	9,697	19,230
Donations - Emmaus UK	6,497	-	6,497	-
Legacy - Barbara Kitchen	10,002	-	10,002	-
	<u>26,196</u>	<u>-</u>	<u>26,196</u>	<u>19,230</u>
7 Charitable activities				
<u>Income from grants</u>				
Bernard Sunley Foundation	-	-	-	5,000
Community Foundation	-	3,000	3,000	10,000
CRASH	-	-	-	20,000
Emmaus UK	8,376	-	8,376	-
HMRC Gift Aid	628	-	628	-
Lloyds Bank Foundation for England & Wales	2,250	25,000	27,250	25,000
Screwfix Foundation	-	-	-	5,000
Sir James Knott Trust	-	10,000	10,000	-
The Barbour Foundation	-	10,000	10,000	-
The Catherine Cookson Charitable Trust	-	-	-	5,000
The Edward Gostling Foundation	-	-	-	18,000
The Joicey Trust	-	3,300	3,300	-
The Rank Foundation	-	15,474	15,474	8,350
The Ridley Family Trust	-	5,000	5,000	5,000
The South Tyneside Know Your Neighbourhood Fund	-	17,891	17,891	-
Other small grants less than £2,000	3,165	900	4,065	1,000
HMRC Job Retention Scheme	-	-	-	1,300
Other income	7,350	-	7,350	6,192
	<u>21,769</u>	<u>90,565</u>	<u>112,334</u>	<u>109,842</u>
8 Other trading activities				
Charity shop	166,034	-	166,034	163,209
Fundraising	-	-	-	126
Housing benefit	217,469	-	217,469	170,287
Rental income	2,110	-	2,110	-
	<u>385,613</u>	<u>-</u>	<u>385,613</u>	<u>333,622</u>
9 Income from investments				
Bank interest	356	-	356	8
	<u>356</u>	<u>-</u>	<u>356</u>	<u>8</u>

Income was £524,499 (2022: £462,720) of which £433,934 was unrestricted or designated (2022: £360,275) and £90,565 was restricted (2022: £102,445).

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(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
10 Raising funds				
Incurred seeking grants	6,697	-	6,697	2,215
<u>Charity Shops</u>				
Staff salaries	73,154	33,015	106,169	119,842
Direct costs	116,064	1,318	117,382	100,071
Cost of sales	5,949	317	6,266	6,149
Support costs	14,786	145	14,931	11,134
	<u>216,650</u>	<u>34,795</u>	<u>251,445</u>	<u>239,411</u>
11 Charitable activities				
<u>Direct costs</u>				
Staff salaries	48,382	65,696	114,078	83,761
Staff other costs	3,861	52	3,913	3,986
Volunteer expenses	215	-	215	34
Companion costs	89,237	5,896	95,133	71,505
Advertising and marketing	6,867	169	7,036	2,555
Rent and rates	7,534	1,310	8,844	13,545
Utilities	30,631	57	30,688	17,051
Other establishment costs	1,545	-	1,545	5,334
Repairs and renewals	27,230	3,320	30,550	2,969
Insurance	1,905	47	1,952	2,869
Vehicle costs	5,291	608	5,899	3,997
Professional fees	14,594	7,875	22,469	24,808
Business development	-	-	-	6,446
Small equipment	1,535	2,167	3,702	2,002
Depreciation	46,191	-	46,191	38,450
Bank charges and interest	4,338	-	4,338	3,953
<u>Support costs</u>				
Office costs	11,604	1,935	13,539	7,995
Subscriptions	6,619	-	6,619	2,055
<u>Governance costs</u>				
Independent examiner's fees for reporting on the accounts	2,580	-	2,580	2,580
Trustee meeting costs	490	-	490	-
	<u>310,649</u>	<u>89,132</u>	<u>399,781</u>	<u>295,895</u>

Expenditure on raising funds was £251,445 (2022: £239,411) of which £216,650 was unrestricted or designated (2022: £237,033) and £34,795 was restricted (2022: £2,378).

Expenditure on charitable activities was £399,781 (2022: £295,895) of which £310,649 was unrestricted or designated (2022: £198,118) and £89,132 was restricted (2022: £97,777).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

12 Fees for examination of the accounts

	2023 £	2022 £
Independent examiner's fees for reporting on the accounts	1,290	1,290
Other accountancy services paid to the examiner	1,290	1,290
	2,580	2,580

13 Analysis of staff costs and the cost of key management personnel

	2023 £	2022 £
Salaries and wages	197,887	182,376
Social security costs	18,724	15,608
Pension costs (defined contribution pension plan)	3,636	5,619
	220,247	203,603

No employee received remuneration above £60,000 (2022: nil)

The key management personnel of the charity, comprise the Trustees and the CEO. The total employee benefits of the key management personnel of the charity were £55,625 (2022:£37,958).

14 Staff numbers

The average monthly head count was 7 staff (2022: 9 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2023 Number	2022 Number
The parts of the charity in which the employee's work		
Community Operations	3.5	5.0
Generation of Funds	3.0	3.0
	6.5	8.0

15 Transactions with Trustees

None of the Trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees' expenses

No Trustee expenses have been incurred in the year.

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

EMMAUS NORTH EAST

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

16 Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The employer's pension costs represent contributions payable by the charity to the fund and amount to £3,636 (2022: £5,619). There was £0 outstanding as at 30 June 2023 (2022: £0).

17 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

18 Volunteer time

The Charity places a great value on the contributions that volunteers made to the organisation. Over the course of the year, we benefitted greatly not only from the considerable time, energy and expertise given by the Board of Trustees and the companions but other volunteers as well. Companions work for at least 40 hours each week within the Charity's commercial and social enterprises, mainly retail. The average number of companions with the Charity during the year was 15.

Other volunteers spend time on specific projects and events. Volunteers time was donated by 7 individuals during 2022/23, offering in the region of 4500 hours.

	Motor vehicles	Property improvements	Fixtures fittings and equipment	Freehold Property	Total
	£	£	£	£	£
19 Tangible fixed assets					
Cost					
Balance brought forward	42,149	96,750	60,064	970,918	1,169,881
Additions	-	-	809	-	809
Disposals	-	-	-	-	-
Balance carried forward	42,149	96,750	60,873	970,918	1,170,690
Depreciation					
Basis	RB	SL	SL	SL	
Rate	25%	17%	17%	2%	
Balance brought forward	18,466	24,259	41,189	84,906	168,820
Depreciation charge for year	5,921	13,928	6,924	19,418	46,191
Disposals	-	-	-	-	-
Balance carried forward	24,387	38,187	48,113	104,324	215,011
Net book value					
Brought forward	23,683	72,491	18,875	886,012	1,001,061
Carried forward	17,762	58,563	12,760	866,594	955,679

EMMAUS NORTH EAST

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

20 Debtors and prepayments (receivable within 1 year)

	2023 £	2022 £
Trade debtors	5,641	9,623
Prepayments	15,527	24,636
Other debtors	4,999	14,535
	26,167	48,794

21 Cash at bank and in hand

	2023 £	2022 £
Cash at bank and in hand	48,495	102,745
	48,495	102,745

22 Creditors and accruals (payable within 1 year)

	2023 £	2022 £
Trade creditors	10,831	10,237
Other creditors	2,372	2,372
Loan	26,525	22,569
Accruals		
Independent examination of accounts	2,580	2,580
	42,308	37,758

23 Creditors and accruals (payable after more than 1 year)

	2023 £	2022 £
Long term loan	202,085	202,167
	202,085	202,167

The loan is subject to interest at 4% and is secured on the company's property at Stanhope Road. Included within the loan is an amount of £210,000 repayable by instalments over 25 years commencing 30 June 2018 and an amount of £79,093 repayable by instalments over 5 years commencing January 2019.

	2023 £	2022 £
Between 2 and 5 years	55,230	55,321
After 5 years	146,855	146,846
	202,085	202,167
Within 1 year	26,525	22,569
	228,610	224,736

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

24 Operating lease commitments

At 30 June 2022 the charity had annual commitments under non-cancellable operating leases as follows:

Expiry date	2023 £	2022 £
Within one year	14,250	14,250
Between one and five years	42,750	57,000
Greater than five years	-	-
	<u>57,000</u>	<u>71,250</u>

25 Events after the end of the reporting period

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

26 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	865,211	433,934	(527,299)	-	771,846
Totals	<u>865,211</u>	<u>433,934</u>	<u>(527,299)</u>	<u>-</u>	<u>771,846</u>

Purpose of unrestricted funds

General unrestricted fund The 'free reserves' of the charity.

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

26 Analysis of charitable funds continued**Analysis of movement in restricted funds**

Restricted funds	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Clarion Riverside	1,397	-	(1,397)	-	-
Community Foundation	-	3,000	(3,000)	-	-
Lloyds Bank Foundation for England & Wales	-	25,000	(25,000)	-	-
Reaching Communities	28,067	-	(28,067)	-	-
Sir James Knott Trust	-	10,000	(10,000)	-	-
The Barbour Foundation	-	10,000	(10,000)	-	-
The Joicey Trust	-	3,300	(3,300)	-	-
The Edward Gostling Foundation	18,000	-	(17,922)	-	78
The Rank Foundation	-	15,474	(7,206)	-	8,268
The Ridley Family Trust	-	5,000	(5,000)	-	-
The South Tyneside Know Your Neighbourhood Fund	-	17,891	(13,035)	-	4,856
Other small grants less than £2,000	-	900	-	-	900
Totals	47,464	90,565	(123,927)	-	14,102

Purpose of restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

Clarion Riverside	Contribution to operating and running a foodbank.
Community Foundation	Furniture for new residence for companions.
Lloyds Bank Foundation for England & Wales	Contribution towards the Community Managers salary.
Reaching Communities	Project workers salaries.
Sir James Knott Trust	"Revive and Thrive" project to support companions with their mental health and wellbeing following the detrimental impacts of the pandemic.
The Barbour Foundation	Core funding : salaries, training, programme costs, office costs, repairs and maintenance, rent, legal and professional and/or governance.
The Joicey Trust	"Revive and Thrive" project to support companions with their mental health and wellbeing following the detrimental impacts of the pandemic.
The Edward Gostling Foundation	Revive and Thrive programme costs.
The Rank Foundation	Contribution to salary Costs for the Marketing Officer.
The Ridley Family Trust	Refurbishment of two companion flats.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

26 Analysis of charitable funds continued

Purpose of restricted funds continued

The South Tyneside Know Your Neighbourhood Fund

The "Community Activator" initiative is a multifaceted community project designed to enhance collaboration between companions and the South Tyneside community. Its primary goals are to provide peer-to-peer support, foster skill development, and mitigate chronic loneliness and social isolation.

27 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Tangible fixed assets	955,679	-	955,679	1,001,061
Cash at bank and in hand	34,393	14,102	48,495	102,745
Other net current assets/(liabilities)	(16,141)	-	(16,141)	11,036
Long term assets/(liabilities)	(202,085)	-	(202,085)	(202,167)
	<u>771,846</u>	<u>14,102</u>	<u>785,948</u>	<u>912,675</u>