

**Charity registration number 1136010**

**Company registration number 07188459 (England and Wales)**

**EMMAUS SOUTH WALES**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

# **EMMAUS SOUTH WALES**

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# **EMMAUS SOUTH WALES**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 30 JUNE 2022**

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The trustees present their annual report and financial statements for the year ended 30 June 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)".

#### **Objectives and activities**

Emmaus is an international movement, independent of religious or political affiliation. It originated in France in 1949, based on the Abbé Pierre's original idea of Solidarity: "serve first those who suffer most", as set out in the Universal Manifesto of the Emmaus Movement. (Available for download at <http://www.emmaus-europe.org>)

#### **Our Core Values**

These are the values by which we strive to live in Emmaus. They set the standard for our way of life together.

#### **Showing respect:**

- Being tolerant of other people's way of life and their beliefs, recognising that other people may have a different point of view.
- Being willing to listen to what others have to say.
- Having compassion for others and respect for their circumstances, especially towards those who have suffered or are in distress.
- Respecting the skills of others and valuing their work.

#### **Being open and honest**

- In the way we live our life within the Movement.
- About how we report our finances and our activities.
- In the way we take decisions.
- By communicating properly so everyone knows what is happening and understands the decisions that are made.

#### **Sharing.**

- Sharing and exchanging our resources and skills, being willing to receive as well as to give.
- Learning from each other.
- Fighting together against injustice, accepting the risks that may be involved.

#### **Taking and Sharing Responsibility.**

- Encouraging people to participate actively at all levels of the Movement.
- Ensuring that everybody's voice is heard.
- Ensuring that decisions are taken and implemented democratically.

#### **Objectives and aims**

The objectives, as set out in Emmaus South Wales Articles of Association, are specifically restricted to the alleviation and relief of poverty, hardship and distress arising therefrom, in conformance with the principles of the Emmaus Movement as published from time to time by Emmaus UK, to those in need without distinction by:

- the provision of accommodation, or assistance in such provision, for homeless people in the South Wales area and such other places as may seem appropriate from time to time (the beneficiaries).
- the rehabilitation of the beneficiaries as appropriate and the provision of education, training (including, without limitation, employment training) and work opportunities and satisfaction for the beneficiaries with the purpose of developing their skills to enable them to gain employment in the future and thereby develop a sense of self-worth and dignity through having a self-supporting life.

## EMMAUS SOUTH WALES

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2022

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- the support of the work of other Emmaus Communities and Emmaus Groups or other agencies in the relief of poverty and homelessness whether in the United Kingdom or elsewhere in the world and in particular (without limitation) by the exchange of resources, information and expertise with other Emmaus Movement projects worldwide.
- the fulfilling of such other purposes as may from time to time be recognised by English Law as being charitable and which the Charity shall from time to time determine.

The Trustees can say, with confidence, that these four objectives of the charity are still entirely relevant. We continually strive to achieve them, to the best of our ability.

**Homelessness:** Homelessness in Wales, as elsewhere in the UK, has continued to rise, with a particular increase in the number of people living in temporary accommodation in Wales. We have been experiencing a housing crisis for a number of years with a chronic lack of social housing and soaring private sector rents making a home increasingly unaffordable and unsustainable for many people. The restrictions on evictions introduced to protect people during the pandemic have come to an end and the number of evictions is consequently rising rapidly.

In addition, we have a Cost of Living Crisis in Wales and the UK. Households are facing rapidly rising costs, with inflation exceeding 10%. With essential costs such as home energy, and food prices in particular rising far in excess of inflation, there is little people can do to protect themselves from a significant impact to their budgets. The £20 uplift to Universal Credit, in place during the pandemic, stopped in Oct 21, and the impact of inflation means there has been real terms cut to people's income. More working people are being pushed into poverty with wages not keeping pace with inflation. Housing costs continue to rise, and rising interest rates will exacerbate the crisis further.

It is sadly a context that means that we expect demand to grow for support from the Emmaus South Wales Community, both in respect of our role in offering a pathway out of homelessness, and in respect of our solidarity work and services to our wider communities. As I write we have a full Community and are preparing a waiting list system.

#### **Approach to achieving charitable objects**

The Emmaus 'theory of change' is to provide a supportive community, purpose and meaningful activity in our social enterprises each week, and opportunities to develop and contribute alongside training and support for those who are marginalized and excluded, including those experiencing homelessness. By working together alongside staff and volunteers in our community and enterprises, Companions gain new skills and experience and, most importantly, regain self-respect, esteem and purpose whilst working to support others in greater need than themselves. Emmaus South Wales can currently provide accommodation for 18 Companions. Companions are provided with a package of support and accommodation, including financial support as Companions do not claim out of work benefits such as Universal Credit. Emmaus communities strive to be self-financing which is why social enterprise is integral to our model and way of working, this grants us all, including companions, autonomy in achieving our aims. It also affords us the opportunity to demonstrate in practice that a different model of life is possible, one that is based on the sharing rather than the accumulation of resources, and where everybody contributes, and everybody gains.

#### **The Emmaus Model**

Emmaus provides an opportunity for companions to break free from the cycle of insecure, unsustainable, unaffordable housing and its attendant impacts on the quality of life, health and well-being. The impact of fighting a losing battle against poverty and exclusion, and of homelessness, can be soul-destroying, leaving you feeling worthless. For many people who have experienced homelessness, losing their self-esteem can be the most damaging part of their experience. Being on your own, with no support around you and finding your way out of that situation is not easy, particularly when the only options available are temporary fixes. This is where Emmaus is different. Emmaus is not about offering a bed for the night but offering a home for as long as it is needed, as well as purpose and meaningful work through our social enterprises. This opportunity, to become part of a community and make a contribution to it, plays an important role in restoring well-being and helping companions to find a way to overcome the barriers to inclusion in the long term.



## **EMMAUS SOUTH WALES**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2022**

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Emmaus enables companions to rebuild their lives within self-supporting Communities. Companions receive support to re-equip themselves with the skills and capacity needed to secure and sustain independent homes and to live happy and healthy lives. Our Companions are given the opportunity to take stock of their lives, understand and address the barriers they face, and re-establish supportive networks of friends and family. You only have to read the stories on Emmaus Community websites of some of the people Emmaus has supported, to see what a difference Emmaus makes. See:

[emmaus.org.uk/south-wales](http://emmaus.org.uk/south-wales)

Applicants join our Community as Companions, having been homeless or otherwise vulnerably housed and unemployed. Potential Companions can apply directly to Emmaus South Wales or be referred by the local authority or a third party (probation officer or outreach worker for example) with their permission. Alternatively, there is a UK wide referral pathway for all Emmaus Communities in the UK. We have developed partnerships and referral relationships with other services from which we are generating referrals and encouraging homeless people to contact us.

Emmaus South Wales is fully committed to developing an inclusive and diverse community, including companions, staff, Trustees and volunteers, and our recruitment and access policies reflect this.

#### **Achievements and performance**

##### **The Community**

Our Community home on a two-acre site at Nant Lais, Bridgend provides a home for up to 18 companions. The charity has created a Community where people live and work, recover self-confidence and support both themselves and others. The entitlement to Housing Benefit meets the costs of providing supported accommodation to most companions. We provide a high standard of accommodation for companions, in addition to a comprehensive package of practical, emotional, and financial support. Bridgend County Borough Council provides Housing Benefit to our Companions who transfer it to the charity as rent to cover the costs of accommodating and supporting them. The community is operated economically but accommodation and meals are of a high standard.

We provide an inclusive and diverse community. Our Companions come from all parts of the United Kingdom with ages ranging from 20 to 70. They come from diverse backgrounds, and experiences, however they have all experienced homelessness. The effects of poverty, exclusion, and homelessness mean that many companions have experienced significant harm and repeated trauma which they may not previously have received support with. This can result in additional challenges such as poor mental health, addiction, difficulty maintaining relationships, or challenging behaviour. Others have simply lost hope following the loss of loved ones, a job, their home and their purpose. The Community team provide support for Companions in dealing with the impact of their experiences including supporting them to access specialist services where beneficial. The team also support companions to live together successfully and to create a mutually supportive and accepting environment. Our focus has been to build a safe and stable Community with a real "sense of Community".

When someone comes to Emmaus, we give them the opportunity to learn new skills by working in our enterprises and through different projects. Each companion has a training package that they can access and complete. This year we have had a number of companions access external training and complete their Agored Level 2 Bicycle Maintenance course.

In July the community was successful in an application that they put forward and were awarded a new garden package by environmental charity Keep Wales Tidy. We were one of the first groups in the country to benefit from the Local Places for Nature scheme. All plants, tools and materials were provided for free by Keep Wales Tidy and included native climbing plants, wildflowers, and ferns, as well as compost, topsoil, gravel, hand tools and gloves. With the help of our companions the garden space is now an area where they can enjoy the outdoors and wildlife can thrive. They enjoyed the opportunity to help to keep them active, spend time outdoors, and improve their mental health and well-being.

## EMMAUS SOUTH WALES

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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#### Creating "a sense of Community"

The Community and social enterprise work together to ensure the transition from applicant to Companion is as seamless as possible. Companions spend the first few days settling into the Community and undertake their induction with Support Staff. Once this has been completed Companions have an Individual Support Plan, designed and reviewed to provide the support required. Induction includes formalities such as housing benefit forms completed and GP registration. The Companion is given a rota which explains where they will work, to whom they will report and where they will have their enterprise induction. Close monitoring of that process is undertaken by the Head of Retail and Community staff and kept under weekly review by both parties.

Every effort is made to encourage Companions to work and live effectively together as a Community. Companions are encouraged to have an evening meal together and once a week enjoy a community evening meal where all companions participate. At weekly Community meetings Companions and Staff address any behavioural or procedural issues. The first Monday of the month is a Companion Meeting where any issues are discussed and if need be brought to the attention of the Support team. Trustees meet periodically with Companions to ensure that Companions are aware of the Trustees commitment to their support and welfare and that Trustees are fully aware of the operation of the Community with feedback from the meeting being shared with the Board.

#### The Importance of work and the support network for Emmaus Companions

Emmaus Companions have commented on the importance of work in their life in Emmaus.

*"Without Emmaus South Wales I dread to think where I would be now, you have helped me out of a very bad place, gave me a reason to live and gave me a purpose again. Thanks to the support I received I am now back in full time employment, something 8 months ago I couldn't see me doing"*

*"Emmaus South Wales has given me the opportunity for a fresh start. Here, I have a routine by working in the social enterprises and I've made new friends. I've found a new purpose in life and get up every day instead of lying in bed sleeping or going out drinking like I was before Emmaus. I've worked in all three stores and on Lucie, our Land Train. It's a good feeling to learn something new. I've made new friends and support provided has helped me with my mental health"*

#### The Support Network

Other Companions have made observations on the support network:

*"Emmaus can help me and I can help Emmaus. Emmaus has basically saved my life. Without Emmaus I'd be nowhere. It gave me a sense of community, being together, working together. I was isolated before Emmaus."*

*"Emmaus can help me better myself, for myself and my children. Structure is what helps. If I was living somewhere else and volunteering I don't think it would have the impact Emmaus does. I would still have problems but without the people to help me sort them out."*

#### Kindness and Community life encourage empathy

Solidarity is such an important part of the work of Emmaus. As one Companion put it:

*"I'm really grateful to Emmaus for providing me with security, and stability, and kindness, understanding, and support so I can balance myself and my life".*

Another Companion described her experience of living in an Emmaus Community as:

*"This place has been the making of me. It's done me the world of good. I wanted routine, and I've made lots of friends, and I like engaging with customers in the shops. This place has been really good for me"*

## **EMMAUS SOUTH WALES**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2022**

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#### **What Success looks like...**

Success for our Companions can be viewed through different lenses – personal development and change that occurs, and the empowerment to choose a different lifestyle. It enables them to be open to opportunities for retraining, employment or to pursue interests. The stability helps them to reimagine their lives in a different way – being empowered to reengage with interests, education, employment and new opportunities. Being part of the community can help people to reconnect with relationships that have been estranged and helps them forge new friendships. Emmaus offers an unique opportunity to work with people in a close community, to feel more confident around people, to learn about relationships, tolerance, limitations, learning to share, useful experiences that can be duplicated in the community at large helping people to move on in a positive way.

#### **The Social Enterprise**

Emmaus South Wales financial year to 30 June 2022 was another challenging year for the social enterprise. As the world began waking up from Covid Restrictions, Emmaus South Wales had 4 retail locations based in Bridgend, Porthcawl and Maesteg. Maesteg was unable resume trading and in August 2021 the decision was made to surrender the lease. Porthcawl was able to continue trading towards the end of October 2021. Tremains Road and Caroline Street traded a full financial year.

In June 2021 our Online Sales Co-Ordinator left Emmaus to pursue a career elsewhere, the role was not re-filled and instead, the post was taken over by two companions both with good experience of online sales. Online sales were strong for the first two quarters of the financial year with sales trending upward and a companion team who were focused and delivering excellent results. Then, unexpectedly, capacity online was reduced to one companion for the last half of the year.

Sale transactions topped 39,901 with over 79,000 units sold. Average transaction value across the estate was £7.60. In total over 166 tons of pre-loved items were reused and diverted from landfill in 2021/2022.

Claiming Gift Aid on items sold within our shops and online is an important revenue stream for Emmaus South Wales. In 2021/22 we managed to convert 11% of all donated sales. As well as Gift Aid we also derive income from recycling goods. Each shop has a collection on a weekly basis and our recycling company Choose 2 Reuse collect unsold or unsaleable fabric, Bric-a-Brac, Electrical and Media from our stores. Over 34 tons of items were moved on to the recycling company in 2021/22.

Our two vans continued to collect and deliver pre-loved furniture from our Tremains Road and Porthcawl shops as well as servicing our Caroline Street shop with donations generated in our Tremains Superstore once or twice per week. Due to the lower number of stores our van capacity was reduced to one Van on the road most days with the second van being used to support during busy periods or large house clearances. Our Van team completed 667 deliveries and 805 collections in 2021/22.

As well as our retail and logistics division we also had Lucie the Land Train in operation from August 2021 running just in time for the summer holidays.

Towards the end of 2020/21 Emmaus South Wales reviewed its strategy and set our aims for the next 5 years. One of these is to diversify our trading and develop new enterprises. When Bridgend County Borough Council sought a commercial operator for a Land Train attraction in Porthcawl in early 2021 Emmaus South Wales saw an opportunity. Following months of planning and preparation the newest Emmaus South Wales social enterprise was launched in July 2021. Lucie the Land Train, named after Emmaus Co-Founder Lucie Coutaz, began service just in time for the summer holidays and high season. Lucie has proved very popular and is received very well by the people of Porthcawl. As well as delivering income from ticket sales and providing companions with an alternative method of work other than retail, Lucie is helping to shine a light on Emmaus South Wales and the work we do within the local community. During the first 3 months Lucie received over 85,375 engagements on Facebook with 1,408 "likes" and 527 comments (mostly positive), 692 link clicks and 334 shares.

## **EMMAUS SOUTH WALES**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2022**

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An Emmaus social enterprise creates work and training opportunities for Companions, staff, and volunteers. Its dual purposes are to generate the funds to meet Charitable costs, and to provide purpose and meaningful opportunities for Companions to rebuild their self-esteem. In total approximately 18,000 hours of companion time was volunteered in the enterprise and community in 2021/22.

The Emmaus ethos commits us to acts of solidarity and, in 2021/22, we continued to support Emmaus International's solidarity projects by donating a day's takings from our shops in our 'Solidarity Day Sale'. Our shops donated £2,000 worth of furniture and other items, delivered by the community's van to support local people in need, identified through our links with local housing associations. In total, 10 beds, 11 wardrobes, 21 dining tables and chairs, 6 sofas, and 6 homeware packs were provided. We undertake these activities to help tackle poverty and disadvantage in our local communities.

#### **The Management Team**

Our Senior Management Team have continued to work hard to develop and strengthen the organisation over the course of the year. It continues to be a challenging operating context, with rising costs, reduced capacity and significant changes to customer needs and habits. Nevertheless the team continues to be focused on achieving maximum impact for companions and our wider communities, and committed to identifying the opportunities where Emmaus South Wales can contribute to making a better world.

#### **Staff and Volunteers**

The past year has been another difficult one for our staff and volunteers. Most of the Enterprise Team have had to deal with the uncertainty of coming out of the Covid situation and many of our Volunteers were unsure or nervous in making a commitment to return. For our Community team their continued to be challenges in filling vacancies in the home and supporting Companions getting back into the workplace. Our thanks go to all of our staff in pulling through the end of a very difficult period.

Our store managers continued to rebuild their teams of volunteers, without whom we would not be able to do all that we do. We send our heartfelt thanks to each and every one of them for their contribution and commitment to Emmaus.

#### **Financial review**

The total income for the year ending 30 June 2022 was £573,565, £213,101 lower than the previous year. No insurance claims were made during the year, compared to £154,990 claimed in the prior year.

Total expenditure of £728,318, which was £47,902, some 7% higher than in the previous year. A deficit of £154,753 was thereby reported in the year, with a surplus of £106,250 reported in the previous year.

#### **Grants**

Emmaus South Wales, is founded on a model of sustainable Social Enterprise. We strive to be self-financing through our primary purpose trading activities. However, we are operating in a context of rising cost. This includes the costs of the package of support we provide for companions and the costs we meet on their behalf, such as utilities and food. As well as our charitable operating costs and trading costs such as fuel, energy, employment costs, and rents. We continue to meet all of our trading costs from trading income, and are grateful for the grants we have continued to secure to support our charitable delivery costs.

The support provided is detailed on page 29. This support has been vital in enabling us to continue to support companions throughout the crisis. Our funders have provided funds to meet direct Companion costs, to support salaries in both the community and central teams, and to enable us to meet ongoing core liabilities such as utilities. Covid-19 has been a disaster for many charities, but Emmaus South Wales' survival has been assured by this generosity

## **EMMAUS SOUTH WALES**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2022**

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#### **Reserves**

Emmaus South Wales has demonstrated our resilience in a crisis having survived the significant financial challenges brought by the pandemic and the closure of trading. However, the trading environment continues to be challenging with changes to footfall and consumer behavior, and it's important that we can continue to adapt our enterprises to the changing context.

The Board still judges that total net working capital of £100,000 in unrestricted and restricted funds, is adequate to enable Emmaus South Wales to survive a short term calamity. The incredible support we have received during the Covid pandemic means that the accounts for the financial year show a continuing stable position.

#### **Planning the Future**

Renting Homes (Wales) Act 2016. Implementation of the Act, was delayed by Welsh Government until December 2022. Considerable time has been invested during the year to prepare for its implementation without comprising the strengths of an Emmaus Community. We successfully secured social impact loan financing to purchase a 4 bedroom house where we will be able to offer Companions Occupancy Contracts in line with the Act. We have been undertaking work on the house in preparation for companions to move in later in the year. Whilst completion of the first shared house is a significant achievement, we still need to secure additional financing for additional properties, and are in discussions with a number of social impact lenders.

Whilst we have a strong strategy in place, and clear objectives, we also recognise that there are a number of structural challenges to overcome during the coming year which need to be effectively navigated to ensure we can deliver our strategy effectively. Our largest area of enterprise, and therefore trading income, is generated by our Re-use Stores. We are currently operating 3 stores, all of which play a key role in our retail strategy. We lease all of our stores on a commercial basis, and each of the current leases are coming to the end of the 10 year term. The choices we make will by necessity be shaped both by our strategy and the range of options available to us within fixed timescales. We are increasingly constrained both by the rising costs of premises, and the lack of availability.



# EMMAUS SOUTH WALES

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### Structure, governance and management

#### Governing document

The charity is controlled by its governing document, a deed of trust, and is constituted as a company, limited by guarantee, as defined by the Companies Act 2006. The charity was constituted in 2010 as a company limited by guarantee, controlled by its governing document, the Memorandum and Articles of Association, as defined by the Companies Act 2006.

The objects of the charity are the alleviation and relief of poverty, hardship and distress arising therefrom, in conformance with the principles of the Emmaus Movement; the provision of accommodation for homeless people in South Wales, the rehabilitation of the beneficiaries and the provision of education and training, including employment training and work opportunities with the purpose of developing their skills to enable them to gain employment in the future and thereby develop a sense of self-worth and dignity through having a self-supporting life.

#### Structure, governance and management

The Board is responsible for the strategic direction and policy of the charity. The Board continued to meet monthly, utilizing, online, hybrid, and in person methods over the course of the year.

Each meeting was preceded, a week before, by a meeting of the Enterprise and Finance Committee. Its members are Two Trustees, the Chief Executive, the Accommodation & Support Manager, the Finance Manager and the Head of Retail. It reviews the state of the Community and the charity's financial results. It exercises financial control, considers future projections and business proposals and submits its report and statement of decisions needed to the Board.

Sub-committees resumed during the year, with Health & Safety and People Committee joining Enterprise and Finance. Each sub-committee is comprised of Trustees and Senior Staff. A working group was also established to guide the changes to our accommodation offer instigated by the implementation of the Renting Homes (Wales) Act. Trustees, staff, and Companions are members of the working group. HR advice has continued to be provided to all Emmaus Communities by the HR Consultancy: Roots HR and Emmaus South Wales have sought their support during the year when appropriate. Marketing and Digital Communications support continues to be provided to Emmaus South Wales by Emmaus UK and our appreciation is recorded for the significant service provided during the year. In addition Emmaus South Wales benefit from Health and Safety Audits and compliance support from Ellis Whittam.

A delegation framework is in place, with the day to day responsibility for the operations of the charity resting with the Chief Executive. The Chief Executive is responsible for ensuring that the charity delivers its strategic objectives, achieves the budget for the ensuing year and meets key performance indicators.

#### Risk management

Trustees have in place risk management procedures, policies and a Risk Register which aims to identify, manage and mitigate foreseeable risks that the charity might face. The Chief Executive has overall responsibility for monitoring the risks and ensuring appropriate and timely mitigation is put in place. The Charity is committed to safeguarding staff, Companions and volunteers and effective health and safety risk management in accordance with its Health and Safety policy. Risk assessments and specific procedures are completed, reviewed, and maintained. All new activities and potential risks are risk assessed. All staff and volunteers participate in a health and safety induction, with specific training offered when desirable or necessary.

## EMMAUS SOUTH WALES

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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#### Policies

A complete portfolio of policies and procedures has been established, which are regularly reviewed. These include:

- Equality and Inclusion Policy
- Data Protection Policies
- Health and Safety Policies and procedures.
- Complaints Policy
- Whistleblowing Policy
- Internal Financial Controls policy.
- Safeguarding Policy
- Staff and Trustee Codes of Conduct

#### Recruitment, appointment and training of new trustees

The Charity is directed by a Board of Trustees who are elected and co-opted under the terms of the Articles of Association. The Board of Trustees continues to review the skills and experience of its members. During the year three additional Trustees were recruited with one Trustee stepping down. This continues to strengthen the Board's expertise and skills base. The Board recognise that a proper Recruitment, Induction and Training programme is important to ensure the ongoing strength of the Board.

Each potential Trustee is interviewed by at least two Trustees, briefed about the Community, the History of Emmaus, their legal and ethical responsibilities and provided with the NCVO Code of Good Governance.

Once Board approval is confirmed Induction and training takes the form of attendance at Board Meetings and its Committees, a visit to Nant Lais, our Community home, escorted visits to other neighbouring Emmaus Communities, attending the Emmaus UK Federation Induction Day, training in the responsibilities of a Trustee and assumption of appropriate roles in support of the Community and its social enterprise. Attendance at the Emmaus Annual Assembly and other conferences and meetings of the Emmaus Movement form an important way in which new Trustees learn the Emmaus ethos and best practice and gain essential contacts.

All trustees give their time voluntarily and receive no benefits from the Charity. No expenses have been claimed from the charity since September 2018. None of the trustees has any beneficial interest in the company.

#### The Wider Emmaus Movement

Emmaus in the UK is part of the International Emmaus Movement, made up of 410 member groups working in 41 countries around the world. The work that the members do varies, depending on the needs of the country that they work in, but all Groups share a commitment to "serve first those who suffer most", as set out in the Universal Manifesto of the Emmaus Movement. Emmaus South Wales has full membership of Emmaus UK, Emmaus Europe and Emmaus International.

As part of an International Movement, we learn from one another, share experiences and work together to support those in greatest need. Staff, companions, volunteers and trustees in the UK participate in exchanges, meetings, and in solidarity sales where money is raised for Emmaus projects in poorer countries.

In May 2022 the Emmaus World Assembly took place in Uruguay. Our CEO participated in the event, which happens every 4 years and provides the opportunity for Emmaus Communities from every part of the globe to come together to share experiences, expertise, and challenges and to agree priorities for the global Emmaus Movement. The costs to attend the event were met by Emmaus Europe, and Emmaus UK. It was a fantastic opportunity for the movement to come together after the challenges of the pandemic and to reconnect with each other and the fundamental ethos and values of the Emmaus Movement. The work undertaken by Emmaus Communities around the world is breathtakingly inspiring as is the universality and impact of the Emmaus model.

## **EMMAUS SOUTH WALES**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 30 JUNE 2022**

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In the UK Emmaus South Wales continues to work alongside the other communities in the UK Federation. We continue to share the learning and experience gained from the devolved nature of Housing and Homelessness in Wales, with our counterparts elsewhere in the UK, and equally to learn from theirs. As members of Emmaus UK we have contributed to the collective review of UK strategy, and continue to benefit from the shared services and resources.

#### **Related parties**

Emmaus South Wales is a member of Emmaus UK, Emmaus Europe, and Emmaus International.

Emmaus UK supports the development of Emmaus Communities in the UK. In September 2021 Charlotte Talbot took up her role as the new Chief Executive of Emmaus UK. We welcome the fresh approach she is leading, and the opportunity to reaffirm our collective direction and models of operation in the UK. We work closely with EUK across all areas of our work, and benefit from their support with: communications, marketing and web management, fundraising, business and retail development, performance monitoring and evaluation, community development, companion referrals, strategic planning and finance. The Board greatly appreciates the support received. Roots HR provide an HR service to Emmaus Communities and during the year Ellis Whittam provided a full Health & Safety audit enabling us to commence improvements through their recommendations.

#### **THANKS**

The Trustees would like to express their thanks to all who have supported the Emmaus South Wales Community and Social Enterprise in the past year, especially the Chief Executive and staff of Emmaus UK, and to all Trustees, staff and volunteers.

Our sincere thanks also go to Lynne Arcos who, due to personal reasons also took the difficult decision to step down from the Board. Her input during their time with Emmaus South Wales is greatly appreciated.

We are immensely grateful for the generous support, from all our funders.

Once again, we thank our generous donors of furniture, clothes, books and bric-a-brac and to our wonderful customers who then buy them and signpost others to our shops!

As shown on page 29, we are immensely grateful for the generous support, at a time of crisis, from: BAVO, The Lloyds Bank Foundation, The Hodge Foundation, The Waterloo Foundation, WCVA and from the Government to cover rates and to furlough staff whilst shops were closed. Covid-19 has been a disaster for many charities, but Emmaus South Wales' survival has been assured by this generosity.

#### **Funds held as custodian trustee**

##### **Funds held by trustees for third parties**

The charity holds funds (savings) on behalf of Companions, which are built up weekly at £5 per Companion from his or her weekly allowance. This enables each Companion to have some savings when they move on from Emmaus South Wales. The savings are held solely for the benefit of the Companions. The amounts saved are recorded at the Community home at Nant Lais and are kept separate from other funds as required by FRS102 module 19.




# EMMAUS SOUTH WALES


## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### Reference and administrative details

Registered charity name	Emmaus South Wales
Charity number	1136010
Company registration number	07188459
Registered office	6 Caroline Street Bridgend CF31 1DQ
Trustees	J Raikes (Chair) E-W Francis (Treasurer) C A Lowry (Hon Secretary) T V Eades B Jackson - Resigned 20/7/2021 M E Roberts - Resigned 20/7/2021 L Acros - Resigned 25/5/2022 E S Hammonds - Resigned 20/3/2023 E Venables - Resigned 20/3/2023 L Sully - Appointed 8/10/2021 L Jevons - Appointed 28/3/2022, Resigned 23/10/2022 S Lloyd - Appointed 29/11/2021, Resigned 5/12/2022, Appointed 23/3/2023 C Price - Appointed 2/1/2023
Secretary	C A Lowry
Chief Executive	J Wray to January 2023
Interim Chief Executive	D Jones from January 2023
Independent Examiners	Azets Audit Services Chartered Accountants and Statutory Auditors Ty Derw, Lime Tree Court Cardiff Business Park Cardiff CF23 8AB

The trustees' report was approved by the Board of Trustees.

  
.....  
Mr. E Francis  
Trustee  
Dated: 26th April 2023

  
.....  
J A Raikes  
Trustee  
Dated: 26th April 2023

# EMMAUS SOUTH WALES

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EMMAUS SOUTH WALES

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I report to the trustees on my examination of the financial statements of Emmaus South Wales (the charity) for the year ended 30 June 2022.

### Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the charity 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 the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### Independent examiner's statement

Since the charity'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 Association of Chartered Certified Accountants, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.

*Claire Thompson*

**Claire Thompson FCCA DChA**

Azets Audit Services

Ty Derw

Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

United Kingdom

Dated: *27-06-2023*

## EMMAUS SOUTH WALES

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Income and endowments from:</b>							
Donations and legacies	3	32,695	-	32,695	34,394	-	34,394
Charitable activities	4	492,597	26,520	519,117	353,058	210,704	563,762
Other trading activities	5	32,424	-	32,424	33,116	-	33,116
Investments	6	523	-	523	404	-	404
Other income	7	1,494	-	1,494	154,990	-	154,990
<b>Total income</b>		<b>558,733</b>	<b>26,520</b>	<b>586,253</b>	<b>575,962</b>	<b>210,704</b>	<b>786,666</b>
<b>Expenditure on:</b>							
Raising funds	8	6,691	-	6,691	6,270	-	6,270
Charitable activities	9	693,682	40,423	734,105	351,048	318,222	669,270
Other	13	210	-	210	4,876	-	4,876
<b>Total expenditure</b>		<b>700,583</b>	<b>40,423</b>	<b>741,006</b>	<b>362,194</b>	<b>318,222</b>	<b>680,416</b>
Gross transfers between funds		-	-	-	36,063	(36,063)	-
<b>Net (expenditure)/income for the year/</b>							
<b>Net movement in funds</b>		<b>(140,850)</b>	<b>(13,903)</b>	<b>(154,753)</b>	<b>249,831</b>	<b>(143,581)</b>	<b>106,250</b>
Fund balances at 1 July 2021		316,361	971,806	1,288,167	66,530	1,115,387	1,181,917
<b>Fund balances at 30 June 2022</b>		<b>175,511</b>	<b>957,903</b>	<b>1,133,414</b>	<b>316,361</b>	<b>971,806</b>	<b>1,288,167</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# EMMAUS SOUTH WALES

## BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	14		1,238,310		983,782
<b>Current assets</b>					
Stocks	15	2,254		2,257	
Debtors	16	54,268		75,897	
Cash at bank and in hand		306,831		493,478	
		<u>363,353</u>		<u>571,632</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(180,573)</u>		<u>(117,706)</u>	
Net current assets			182,780		453,926
<b>Total assets less current liabilities</b>			1,421,090		1,437,708
<b>Creditors: amounts falling due after more than one year</b>	19		(287,676)		(149,541)
<b>Net assets</b>			<u>1,133,414</u>		<u>1,288,167</u>
<b>Income funds</b>					
Restricted funds	22		957,903		971,806
<u>Unrestricted funds</u>					
Designated funds	23			112,016	
General unrestricted funds		<u>175,511</u>		<u>204,345</u>	
			175,511		316,361
			<u>1,133,414</u>		<u>1,288,167</u>

## EMMAUS SOUTH WALES

### BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2022

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on ..... 26th April 2023



Mr. E Francis  
Trustee



J A Raikes  
Trustee

Company registration number 07188458

# EMMAUS SOUTH WALES

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	27		(59,429)		137,945
<b>Investing activities</b>					
Purchase of tangible fixed assets	-	(325,523)		(3,167)	
Investment Income received		523		404	
<b>Net cash used in investing activities</b>			(325,000)		(2,763)
<b>Financing activities</b>					
Proceeds from borrowings		197,782		62,500	
<b>Net cash generated from financing activities</b>			197,782		62,500
<b>Net (decrease)/increase in cash and cash equivalents</b>			(186,647)		197,682
Cash and cash equivalents at beginning of year			493,478		295,796
<b>Cash and cash equivalents at end of year</b>			306,831		493,478

# EMMAUS SOUTH WALES

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

#### Charity Information

Emmaus South Wales is a private company limited by guarantee incorporated in England and Wales. The registered office is 8 Caroline Street, Bridgend, CF31 1DQ.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants receivable are treated in different ways dependent upon their purposes and the terms of the grant.

Grants receivable for the specific purpose of purchasing fixed assets for the continued use of the charity are treated as restricted funds. The restricted fund is then reduced by amounts equivalent to the depreciation charges on the assets concerned and will continue to do so over the expected useful lives of the assets concerned.

Grants receivable for specific purposes are also treated as restricted funds so that any unused funds can be separately identified.

Grants receivable to facilitate the general running of the charity for example where the trustees can choose how the funds are expended, are treated as unrestricted funds.

# EMMAUS SOUTH WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

#### 1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Social enterprise income is recognised in the period in which the service relates to.

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.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

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

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% - 20% straight line
Fixtures and fittings	20% straight line
IT Equipment	20% straight line
Motor vehicles	40% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.



# EMMAUS SOUTH WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

(Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial Instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the Instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# EMMAUS SOUTH WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

#### 1 Accounting policies (Continued)

##### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

##### 1.14 Taxation

As a registered charity, Emmaus South Wales is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	32,695	29,394
Legacies receivable	-	5,000
	<u>32,695</u>	<u>34,394</u>

## EMMAUS SOUTH WALES

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

#### 4 Charitable activities

	2022 £	2021 £
Social Enterprise	434,909	267,885
Grants	84,208	295,877
	<u>519,117</u>	<u>563,762</u>
Analysis by fund		
Unrestricted funds	492,597	353,058
Restricted funds	26,520	210,704
	<u>519,117</u>	<u>563,762</u>
Grants		
Lloyds Bank Foundation	25,000	24,000
Hodge Foundation	-	25,000
Welsh Council for Voluntary Action	-	37,500
Welsh Government	-	80,000
HMRC Job Retention Scheme	-	32,804
Moondance Foundation	26,520	-
Homeless Link	-	91,300
The Albert Hunt Trust	-	5,000
Bridgend County Borough Council	12,000	-
BAVO Fuel	4,000	-
Kickstarter	15,688	-
Arnold Clark Motor Vehicle	1,000	-
Other	-	173
	<u>84,208</u>	<u>295,877</u>

## EMMAUS SOUTH WALES

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

#### 5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Shop income	13,055	8,876
Online shop	8,941	18,023
House clearance	5,733	1,917
Recycling income	4,695	4,300
	<u>32,424</u>	<u>33,116</u>
Other trading activities	<u>32,424</u>	<u>33,116</u>

#### 6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	<u>523</u>	<u>404</u>

#### 7 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Insurance claims	-	154,990
Other income	1,494	-
	<u>1,494</u>	<u>154,990</u>

#### 8 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Purchases	<u>6,691</u>	<u>6,270</u>
	<u>6,691</u>	<u>6,270</u>

# EMMAUS SOUTH WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 8 Raising funds

(Continued)

### 9 Charitable activities

	2022 £	2021 £
Staff costs	228,655	199,689
Depreciation and impairment	70,786	53,259
Other staff costs	11,467	4,100
Premises costs	105,390	116,717
Travel and subsistence	2,286	309
Motor expenses	29,569	17,500
Telephone	10,158	7,084
Bank charges	10,588	4,409
Insurance	10,250	10,185
Repairs and renewals	32,344	49,836
Shop expenses	18,439	9,439
Companion costs	51,373	48,230
Computer costs	3,714	3,159
Advertising and marketing	1,569	130
Licences and subscriptions	1,342	1,460
Printing, postage and stationery	3,963	6,157
Other costs	5,965	7,440
	<u>597,858</u>	<u>539,103</u>
Share of support costs (see note 10)	121,261	125,195
Share of governance costs (see note 10)	<u>14,986</u>	<u>4,972</u>
	<u>734,105</u>	<u>669,270</u>
<b>Analysis by fund</b>		
Unrestricted funds	693,682	351,048
Restricted funds	<u>40,423</u>	<u>318,222</u>
	<u>734,105</u>	<u>669,270</u>

# EMMAUS SOUTH WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 10 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	93,304	-	93,304	94,085	94,085
Other staff costs	771	-	771	1,636	1,636
Premises costs	9,831	-	9,831	8,577	8,577
Insurance	3,213	-	3,213	1,869	1,869
Printing, postage and stationery	253	-	253	481	481
Telephone	3,653	-	3,653	3,225	3,225
Travel and subsistence	1,879	-	1,879	434	434
Computer costs	833	-	833	1,507	1,507
Advertising and marketing	6,180	-	6,180	5,862	5,862
Licences and subscriptions	1,162	-	1,162	6,837	6,837
Other costs	182	-	182	682	682
Independent examination fees	-	3,500	3,500	-	3,000
Legal and professional	-	7,427	7,427	-	900
Accountancy fees	-	4,059	4,059	-	1,072
	<u>121,261</u>	<u>14,986</u>	<u>136,247</u>	<u>125,195</u>	<u>130,167</u>
Analysed between					
Charitable activities	<u>121,261</u>	<u>14,986</u>	<u>136,247</u>	<u>125,195</u>	<u>130,167</u>

Governance costs includes payments to the independent examiners of £3,500 (2021- £3,000) for independent examination fees.

### 11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

## EMMAUS SOUTH WALES

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

#### 12 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	14	11
	<u>          </u>	<u>          </u>
Employment costs	2022 £	2021 £
Wages and salaries	292,001	269,907
Social security costs	21,407	17,001
Other pension costs	8,551	6,866
	<u>          </u>	<u>          </u>
	321,959	293,774
	<u>          </u>	<u>          </u>

#### Key management personnel

The total amount of employee benefits (including gross salary, employers national insurance contributions and employers pension contributions) received by the charity's key management personnel for their services to the charity during the year was £142,198 (2021: £115,282).

There were no employees whose annual remuneration was £60,000 or more (2021: nil).

#### 13 Other

	Unrestricted funds 2022	Unrestricted funds 2021
Net loss on disposal of tangible fixed assets	210	4,876
	<u>          </u>	<u>          </u>
	210	4,876
	<u>          </u>	<u>          </u>

# EMMAUS SOUTH WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 14 Tangible fixed assets

	Freshhold land and buildings	Fixtures and fittings	IT Equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 July 2021	1,254,757	132,873	12,309	23,079	1,423,018
Additions	245,839	11,267	-	68,417	325,523
Disposals	-	(700)	-	-	(700)
At 30 June 2022	1,500,596	143,440	12,309	91,496	1,747,841
<b>Depreciation and impairment</b>					
At 1 July 2021	285,086	124,578	9,484	20,088	439,236
Depreciation charged in the year	37,863	4,707	1,932	26,283	70,785
Eliminated in respect of disposals	-	(490)	-	-	(490)
At 30 June 2022	322,949	128,795	11,416	46,371	509,531
<b>Carrying amount</b>					
At 30 June 2022	1,177,647	14,645	893	45,125	1,238,310
At 30 June 2021	969,671	8,295	2,825	2,991	983,782

### 15 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	2,254	2,257

### 16 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Other debtors	20,951	18,080
Prepayments and accrued income	33,317	57,817
	54,268	75,897



# EMMAUS SOUTH WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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

	Notes	2022 £	2021 £
Borrowings		15,856	4,184
Other taxation and social security		6,123	5,000
Deferred income	18	24,752	25,000
Trade creditors		56,425	11,391
Other creditors		9,047	5,785
Accruals and deferred Income		68,370	66,346
		<u>180,573</u>	<u>117,706</u>

### 18 Deferred Income

	2022 £	2021 £
Arising from grants	<u>24,752</u>	<u>25,000</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Balance brought forward	25,000	13,000
Income received	71,272	307,877
Income released	<u>(71,520)</u>	<u>(295,877)</u>
Balance carried forward	<u>24,752</u>	<u>25,000</u>

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

	2022 £	2021 £
Borrowings	287,676	101,566
Other creditors	-	47,975
	<u>287,676</u>	<u>149,541</u>

## EMMAUS SOUTH WALES

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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#### 20 Loans and overdrafts

	2022 £	2021 £
Other loans	303,532	105,750
	<u>          </u>	<u>          </u>
Payable within one year	15,856	4,184
Payable after one year	287,676	101,566
	<u>          </u>	<u>          </u>

#### 21 Retirement benefit schemes

##### Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £8,551 (2021 - £6,866).

# EMMAUS SOUTH WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 July 2020 £	Movement in funds		Transfers	Balance at 1 July 2021 £	Movement in funds		Balance at 30 June 2022 £
		Incoming resources £	Resources expended £	£		Incoming resources £	Resources expended £	
WCVA - Voluntary Services Emergency Fund	67,458	-	(60,294)	(7,164)	-	-	-	-
Charities Aid Foundation - Coronavirus Emergency Fund	8,444	-	(8,444)	-	-	-	-	-
Lloyds Bank Foundation	-	24,000	(24,000)	-	-	-	-	-
Hodge Foundation	-	25,000	(25,000)	-	-	-	-	-
Nant Lais - Development of Community Home	1,032,264	-	(42,774)	(19,819)	969,671	-	(37,863)	931,808
Fareshare	2,425	-	(520)	-	1,905	-	(520)	1,385
Bridgend Association of Voluntary Organisations	230	-	-	-	230	-	-	230
HMRC Job Retention Scheme	-	32,904	(32,904)	-	-	-	-	-
Moondance Foundation	73	-	-	(73)	-	26,520	(2,040)	24,480
Shaw Trust	4,493	-	-	(4,493)	-	-	-	-
Homeless Link	-	91,300	(86,786)	(4,514)	-	-	-	-
WCVA - Resilience Fund	-	37,500	(37,500)	-	-	-	-	-
	1,115,387	210,704	(318,222)	(36,063)	971,806	26,520	(40,423)	957,903

## EMMAUS SOUTH WALES

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

#### 22 Restricted funds

(Continued)

**WCVA Voluntary Services Emergency Fund** - this funding was provided to support volunteer training and recruitment.

**Charities Aid Foundation Coronavirus Emergency Fund** - this funding was provided to support core costs.

**Lloyds Bank Foundation** - this funding was provided to support the cost of finance and administrator's wages and associated costs.

**Hodge Foundation** - this funding was provided to support the community manager and support workers wages costs.

**Nant Lais Development of Community Home** - this funding was provided to develop the charity's community home. The Big Lottery and Welsh Government provided grants with a supporting charge on the land and buildings to ensure that the property is used for the purpose of providing homes for companions, and cannot be sold without permission from the donors. The expenditure on this fund relates to the depreciation charge on the property.

**Fareshare** - this funding was provided to purchase kitchen equipment for the community.

**Bridgend Association of Voluntary Organisations** - this funding was provided to support the cost of making face masks.

**HMRC Job Retention Scheme** - this funding was provided to support wages costs during the Covid-19 pandemic.

**Moondance Foundation** - this funding was provided to support the Community Manager and support workers wages and associated costs.

**Shaw Trust** - this funding was provided to support the costs the opening.

**Homeless Link** - this funding was provided to fund core and charitable costs during the Covid-19 pandemic normally funded through trading income to enable operational service delivery to continue.

**WCVA Resilience Fund** - this funding was provided to support core and companion costs.

## EMMAUS SOUTH WALES

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

#### 23 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Transfers	Balance at	Resources	Balance at
	£	1 July 2021	expended	30 June 2022
		£	£	£
Nant Lais Roof Improvements	44,016	44,016	(44,016)	-
Land Train	68,000	68,000	(68,000)	-
	<u>112,016</u>	<u>112,016</u>	<u>(112,016)</u>	<u>-</u>

**Nant Lais Roof Improvements** - this fund relates to the cost of significant repair and improvement work to the roof at the charity's Community Home in Nant Lais. This was carried out in August 2021.

**Land Train** - The charity has launched a new Land Train service in Porthcawl in August 2021. The designated fund created is to reflect the cost of purchasing the train.

# EMMAUS SOUTH WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 24 Analysis of net assets between funds

Fund balances at 30 June 2022 are represented by:

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Tangible assets	305,117	-	933,193	1,238,310	12,206	-	971,576	983,782
Current assets/(liabilities)	158,070	-	24,710	182,780	341,680	112,016	230	453,926
Long term liabilities	(287,676)	-	-	(287,676)	(149,541)	-	-	(149,541)
	175,511	-	957,903	1,133,414	204,345	112,016	971,806	1,288,167

# EMMAUS SOUTH WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2022

#### 25 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	69,266	78,450
Between two and five years	28,137	96,453
	<u>97,403</u>	<u>174,903</u>

#### 26 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

#### 27 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(154,754)	106,250
Adjustments for:		
Investment income recognised in statement of financial activities	(523)	(404)
Loss on disposal of tangible fixed assets	210	4,876
Depreciation and impairment of tangible fixed assets	70,786	53,259
Movements in working capital:		
Decrease in stocks	3	711
Decrease/(increase) in debtors	21,629	(11,753)
Increase/(decrease) in creditors	3,468	(26,994)
(Decrease)/increase in deferred income	(248)	12,000
<b>Cash (absorbed by)/generated from operations</b>	<u>(59,429)</u>	<u>137,845</u>

#### 28 Analysis of changes in net funds

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	493,478	(186,647)	306,831
Loans falling due within one year	(4,184)	(11,672)	(15,856)
Loans falling due after more than one year	(101,566)	(186,110)	(287,676)
	<u>387,728</u>	<u>(384,429)</u>	<u>3,299</u>

