

EMMAUS SOUTH WALES

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

EMMAUS SOUTH WALES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms T V Eades	
	Mr E Francis	
	Mr S N Lloyd	(Appointed 23 March 2023)
	Ms C A Lowry	
	Ms C M Price	(Appointed 18 January 2023)
	Ms J A Raikes	
Charity number	1136010	
Company number	07188459	
Registered office	Nant Lais	
	Nant Lais	
	Bridgend	
	CF31 4SD	
Independent examiner	UHY Hacker Young	
	Bradbury House	
	Mission Court	
	Newport	
	Gwent	
	NP20 2DW	

EMMAUS SOUTH WALES

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EMMAUS SOUTH WALES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2023

The trustees present their annual report and financial statements for the year ended 30 June 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 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 Abbe 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.
- 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.
- In 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.

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Homelessness

Homelessness in Wales, as elsewhere in the UK, continues to rise, with many living in temporary accommodation. We have been experiencing a housing crisis for a number of years and there continues to be a chronic lack of social housing and soaring private sector rents making a home increasingly unaffordable and unsustainable for many people. The Renting Homes Act is the biggest change to housing laws in Wales for decades. On 1 December 2022 the Renting Homes (Wales) Act 2016 changed the way all landlords in Wales rent their properties. The restrictions on no fault evictions and requirements for improved quality of accommodation will help many, however, many Landlords are starting to leave the market which will increase the homeless situation still further.

The Cost of Living Crisis in Wales and in the UK has not eased with inflation continuing to rise. Households continue to face high costs on basic necessities. There is very little people can do to protect themselves from escalating debt. More working people are being pushed into poverty. Wages are not keeping pace with inflation and housing costs continue to rise with many facing the end of fixed term interest on mortgages which will exacerbate the crisis further.

It is sadly a context that means we have seen demand 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 considering how we support more people in the future.

Approach to achieving charitable objectives

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 enables companions to rebuild their lives within self-supporting Communities. Companions receive support to re-equip themselves with the skill 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.com.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.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

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.

In December 2022, the impact of the Renting Homes (Wales) Act resulted in the need for us to provide accommodation for those Companions who had lived within our Community home, Nant Lais, for 6 months or more. Their automatic transfer to the new Occupation Contracts provided an opportunity to support those longer term companions in a way more suited to their future living. In 2022, Emmaus South Wales purchased a 4 bedroom, 4 bathroom house situated within 2 minute walk of our Community home. This has given us the opportunity to protect our companions living in Nant Lais whilst also ensuring we could provide the required 6 months notice should a Companion need to leave. The house has proved very popular and is now providing an opportunity for us to manage the move-on experience for those Companions starting employment and looking for accommodation.

We provide an inclusive and diverse community. Our Companions come from all parts of the United Kingdom with ages ranging from 18 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 more companions accessing external bicycle maintenance and more is scheduled to be accessed through employability training.

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 the completion of housing benefit forms 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 once a week where all companions participate. At weekly Community meetings, Companions and Staff address any behavioural or procedural issues. Every Monday morning there is a Staff and Companion Meeting where any issues are discussed and escalated where necessary.

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.

"Emmaus 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 has given me the chance to reintegrate back into society after being institutionalised in the prison system by giving me a strong support network. It has offered me a consistent routine with work that has helped me find purpose."

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

The Support Network

Other Companions have made observations on the support network:

"Without Emmaus I would still be living in a world surrounded by alcohol and drugs, with the support offered I can focus on moving forward in my life."

"The support network at Emmaus from the staff and the community has given me a new family, that has helped me develop as a person."

Kindness and Community life encourage empathy

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

"With the kindness and support offered by Emmaus it has helped me realise that there is a future for me that I never saw."

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

"Without the kindness of Emmaus I would still be on the streets, Emmaus has saved my life."

"I feel like I have a family, people who care about me."

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 a 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 2023 was another challenging year for the social enterprise. Fully out of the Covid challenges the charity worked to develop a 'new normal'. Emmaus South Wales had 3 retail locations based in Bridgend and Porthcawl. Porthcawl was slow to re-establish however Tremains Road and Caroline Street built back quickly.

Whilst our enterprises worked to get back to pre-covid levels other challenges presented with our Finance Manager leaving in May 2022. The recruitment market, though providing us with staff, proved a challenge in integrating them with the team. Our Accountants were asked to support us and Trustees with experience became engaged in trying to ensure the day to day operation was maintained. It became clear that our recruitment needs going forward would be different and a more senior Finance professional was sought. The end of 2022 saw the departure of our CEO and Business Manager resulting in a significantly depleted Senior Management Team however this became the catalyst for change, an opportunity for the Board to reconsider what we needed in a team to ensure we could deliver both in the short term but also on our 5 year plan. The staff remaining were engaged, supportive and worked incredibly hard to get us through this period. It became clear that change was necessary.

In January 2023, we recruited a permanent Finance Manager and an interim CEO. Shortly after our Administrator was recruited and our most senior Store Manager was promoted to Retail Manager. There was a renewed enthusiasm, commitment and excitement across the organization, including our beneficiaries (our Companions). At the end of the financial year, the Board were satisfied that the new team would provide the Charity with the skills and commitment to deliver its strategic plan and on 1 August 2023 the interim CEO was confirmed as permanent.

EMMAUS SOUTH WALES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Due to the lower number of stores our van capacity was reduced to one Van on the road in 2022/23. Our van 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. Our Van team completed 570 deliveries and 692 collections in 2022/23.

As well as our retail and logistics division, we also had Lucie the Land Train in operation. After the successful launch of Lucie the Land Train initial revenues looked positive. However, the hangover of covid, the cost-of-living crises, costly repairs and the inclement spring and summer impacted on the expected revenues of the financial model revenue, resulting in the 2022/23 revenues of £34,061, running costs £51,137 leaving a £17,000 loss. In addition, we were unable to recruit a second driver for the train despite every effort being exhausted to rectify this. This led to our one and only driver becoming demoralised and subsequently leaving. The train is part of the community in Porthcawl and is very popular with tourists, locals and companions. The losses are unsustainable, and the Management Team are at present in consultation with the Bridgend County Borough Council who awarded the contract to run the service. Meetings are in progress to find a way forward with this enterprise with potential partners.

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 end meaningful opportunities for Companions to rebuild their self-esteem. In total, approximately 23,000 hours of companion time was volunteered in the enterprise and community in 2022/23.

The Emmaus ethos commits us to acts of solidarity and, in 2022/23, 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 £3,160 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, 7 beds, 26 large bedroom furniture, 5 dining tables and chairs, 7 sofas, 8 large living room furniture and 13 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 brought a new focus and perspective to the Charity. Our Community & Support Manager has worked hard in a difficult year to ensure our Companions have continued to have the support needed. It continues to be a challenging operating context, with rising costs, reduced capacity and significant changes to customer needs and habits. Nevertheless, the team is 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 a difficult one for our staff and volunteers. Many of our Volunteers did not return or were slow to return following Covid and our staff have had to deal with reduced Management support whilst trying to maximise the opportunities to generate income in our stores. For our Community team, there continued to be challenges in filling vacancies in the home and supporting Companions getting back into the workplace.

Our Enterprise and Community staff have continued to work with passion and determination through a very challenging period for the Charity. The amount of work, hurdles overcome and determination to pull through this period has been felt by every staff member, new and old. We send our heartfelt thanks to each and every one of them for their contribution and commitment to Emmaus South Wales.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The total income for the year ending 30 June 2023 was £689,551, £103,298 higher than the previous year.

Total expenditure of £866,978, which was £125,972, some 17% higher than in the previous year. A deficit of £177,427 was thereby reported in the year, with a deficit of £154,753 reported in the previous year. The deficit includes £154,623 of exceptional expenditure. This includes £33,000 of additional rent for previous years after a revaluation, £61,833 of costs for the previous years not accrued for and £42,071 of additional staff costs due to the restructure. The Trustees recognise that without these additional costs the impact on reserves would have been minimal and appreciate all the effort made to improve the performance of the Charity.

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 24. This support has made a real difference 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. Emmaus South Wales' is grateful for this generosity.

Reserves

Emmaus South Wales has demonstrated our resilience in a crisis having survived both the significant financial challenges brought by the pandemic and the impact of losing its key staff for a period. However, the trading environment continues to be challenging with changes to footfall and consumer behaviour, 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

Following the confirmation of our permanent CEO and the start of a new Financial Year the Board reviewed its strategy. Trustees, New and existing staff members and companions were all involved in reconsidering the Strategy in place. Apart from some small changes the Strategy agreed in 2022 will deliver the Boards objectives. We also have a structure for delivering our Strategy with some KPIs which the Senior Management Team and Board will be reviewing during each meeting.

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 2023

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, and the Finance Manager. 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 were disbanded in the second half of the year as a result of the structure and team reporting procedures in place. Health & Safety and People Committee items form part of the Boards Agenda. Emmaus South Wales have received support during the year from Emmaus UK in the form of Marketing and Digital Communications which has proved important in raising our profile and highlighting our activities on social media. Our appreciation is recorded for the significant service provided by Emmaus UK and for the Training, Peer Groups and general support shown.

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.

Policies

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

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms T V Eades

Mr E Francis

Mr S N Lloyd

(Appointed 23 March 2023)

Ms C A Lowry

Ms C M Price

(Appointed 18 January 2023)

Ms J A Raikes

EMMAUS SOUTH WALES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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 425 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. The event which happens every 4 years 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.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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.

EMMAUS SOUTH WALES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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 Emmaus UK 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.

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 all Trustees, staff and volunteers.

Our sincere thanks also go to Louise Sulley, Emma Hammonds, Elaine Venables and Lacey Jevans who, due to personal reasons took the difficult decisions to step down from the Board. Their 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 24, 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.

Funds held as custodian trustee

Fund 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.

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

Mr E Francis
Trustee

Ms J A Raikes
Trustee

14 November 2023

EMMAUS SOUTH WALES

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

I report to the trustees on my examination of the financial statements of Emmaus South Wales (the charity) for the year ended 30 June 2023.

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 ICAEW, 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.

UHY Hacker Young

Bradbury House
Mission Court
Newport
Gwent
NP20 2DW

Dated: 15 November 2023

EMMAUS SOUTH WALES

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	273,049	-	273,049	90,383	26,520	116,903
Charitable activities	4	386,319	-	386,319	434,909	-	434,909
Other trading activities	5	25,157	-	25,157	32,424	-	32,424
Investments	6	891	-	891	523	-	523
Other income	7	4,135	-	4,135	1,494	-	1,494
Total income		689,551	-	689,551	559,733	26,520	586,253
<u>Expenditure on:</u>							
Raising funds	8	4,760	-	4,760	6,691	-	6,691
Charitable activities	9	823,707	38,511	862,218	693,682	40,423	734,105
Other	13	-	-	-	210	-	210
Total expenditure		828,467	38,511	866,978	700,583	40,423	741,006
Net expenditure for the year/							
Net movement in funds		(138,916)	(38,511)	(177,427)	(140,850)	(13,903)	(154,753)
Fund balances at 1 July 2022		175,511	957,903	1,133,414	316,361	971,806	1,288,167
Fund balances at 30 June 2023		36,595	919,392	955,987	175,511	957,903	1,133,414

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	15		1,175,949		1,238,310
Current assets					
Stocks	16	4,806		2,254	
Debtors	17	56,448		46,806	
Cash at bank and in hand		124,805		306,831	
		186,059		355,891	
Creditors: amounts falling due within one year	19	(133,348)		(173,111)	
Net current assets			52,711		182,780
Total assets less current liabilities			1,228,660		1,421,090
Creditors: amounts falling due after more than one year	20		(272,673)		(287,676)
Net assets			955,987		1,133,414
Income funds					
Restricted funds	23	919,392		957,903	
Unrestricted funds		36,595		175,511	
		955,987		1,133,414	

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 2023.

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 14 November 2023

Mr E Francis
Trustee

Ms J A Raikes
Trustee

Company registration number 07188459

EMMAUS SOUTH WALES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(165,598)		(59,429)
Investing activities					
Purchase of tangible fixed assets		(2,615)		(325,523)	
Investment income received		891		523	
Net cash used in investing activities			(1,724)		(325,000)
Financing activities					
Repayment of bank loans		(14,704)		197,782	
Net cash (used in)/generated from financing activities			(14,704)		197,782
Net decrease in cash and cash equivalents			(182,026)		(186,647)
Cash and cash equivalents at beginning of year			306,831		493,478
Cash and cash equivalents at end of year			124,805		306,831

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1 Accounting policies

Charity information

Emmaus South Wales is a private company limited by guarantee incorporated in England and Wales. The registered office is Nant Lais, Nant Lais, Bridgend, CF31 4SD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies**(Continued)****1.5 Expenditure**

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are measured at cost, 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
Computers	20% straight line
Motor vehicles	40% reducing balance

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.

1.9 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.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies**(Continued)****Derecognition of financial liabilities**

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

1.10 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.

1.11 Retirement benefits

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

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	Restricted funds	Total
	2023	2022	2022	2022
	£	£	£	£
Donations and gifts	188,792	32,695	-	32,695
Grants	84,257	57,688	26,520	84,208
	<u>273,049</u>	<u>90,383</u>	<u>26,520</u>	<u>116,903</u>

4 Charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
Sales within charitable activities	<u>386,319</u>	<u>434,909</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Shop income	25,157	32,424
	=====	=====

6 Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Interest receivable	891	523
	=====	=====

7 Other income

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Other income	4,135	1,494
	=====	=====

8 Raising funds

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
<u>Fundraising and publicity</u>		
Other fundraising costs	4,760	6,691
	=====	=====
	4,760	6,691
	=====	=====

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

9 Charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
Staff costs	168,798	228,655
Depreciation and impairment	64,976	70,786
Premises costs	152,102	105,390
Travel & subsistence	-	2,286
Motor expenses	27,703	29,569
Telephone	12,302	10,158
Bank charges	23,615	10,588
Insurance	10,385	10,250
Repairs & renewals	7,340	32,344
Shop expenses	7,656	18,439
Companion costs	54,224	51,373
Computer costs	20	3,714
Licences & subscriptions	4,068	1,342
Printing, postage & stationery	1,001	3,963
Advertising & marketing	1,084	1,569
Other costs	4,504	5,965
Other staff costs	2,017	11,467
	<u>541,795</u>	<u>597,858</u>
Share of support costs (see note 10)	302,660	121,261
Share of governance costs (see note 10)	17,763	14,986
	<u>862,218</u>	<u>734,105</u>
Analysis by fund		
Unrestricted funds	823,707	693,682
Restricted funds	38,511	40,423
	<u>862,218</u>	<u>734,105</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

10 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Staff costs	206,806	-	206,806	93,304	93,304
Premises costs	56,286	-	56,286	9,831	9,831
Insurance	6,912	-	6,912	3,213	3,213
Printing, postage & stationery	1,916	-	1,916	253	253
Telephone	3,120	-	3,120	3,653	3,653
Travel & subsistence	835	-	835	1,879	1,879
Computer costs	4,493	-	4,493	833	833
Advertising & marketing	-	-	-	6,180	6,180
Licences & subscriptions	573	-	573	1,162	1,162
Other costs	4,967	-	4,967	182	182
Other staff costs	16,752	-	16,752	771	771
Audit fees	-	5,000	5,000	-	3,500
Accountancy	-	7,312	7,312	-	4,059
Legal and professional	-	5,451	5,451	-	7,427
	<u>302,660</u>	<u>17,763</u>	<u>320,423</u>	<u>121,261</u>	<u>136,247</u>
Analysed between Charitable activities	<u>302,660</u>	<u>17,763</u>	<u>320,423</u>	<u>121,261</u>	<u>136,247</u>

Governance costs includes payments to the auditors of £5,000 (2022- £3,500) for audit fees.

11 Trustees

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

12 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
<u>13</u>	<u>14</u>

EMMAUS SOUTH WALES**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

12 Employees (Continued)

Employment costs	2023	2022
	£	£
Wages and salaries	337,413	292,001
Social security costs	29,221	21,407
Other pension costs	8,970	8,551
	<hr/>	<hr/>
	375,604	321,959
	<hr/>	<hr/>

There were no employees whose annual remuneration was more than £60,000.

13 Other

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Net loss on disposal of tangible fixed assets	-	210
	<hr/>	<hr/>
	-	210
	<hr/>	<hr/>

14 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 objects.

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

15 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2022	1,500,597	143,441	12,309	91,496	1,747,843
Additions	-	-	2,615	-	2,615
At 30 June 2023	1,500,597	143,441	14,924	91,496	1,750,458
Depreciation and impairment					
At 1 July 2022	322,949	128,796	11,417	46,371	509,533
Depreciation charged in the year	40,839	4,934	1,153	18,050	64,976
At 30 June 2023	363,788	133,730	12,570	64,421	574,509
Carrying amount					
At 30 June 2023	1,136,809	9,711	2,354	27,075	1,175,949
At 30 June 2022	1,177,647	14,645	893	45,125	1,238,310

16 Stocks

	2023 £	2022 £
Finished goods and goods for resale	4,806	2,254

17 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	1,580	2,755
Other debtors	14,932	10,734
Prepayments and accrued income	39,936	33,317
	56,448	46,806

18 Loans and overdrafts

	2023 £	2022 £
Bank loans	288,828	303,532
Payable within one year	16,155	15,856
Payable after one year	272,673	287,676

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

19 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	18	16,155	15,856
Other taxation and social security		2,700	(1,339)
Government grants	21	-	24,752
Trade creditors		36,451	56,425
Other creditors		8,733	9,047
Accruals and deferred income		69,309	68,370
		<u>133,348</u>	<u>173,111</u>

20 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	18	272,673	287,676
		<u>272,673</u>	<u>287,676</u>

21 Government grants

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	-	24,752
	<u>-</u>	<u>24,752</u>
Movements in the year:		
Deferred income at 1 July 2022	24,752	25,000
Released from previous periods	(24,752)	(248)
	<u>-</u>	<u>-</u>
Deferred income at 30 June 2023	-	24,752
	<u>-</u>	<u>24,752</u>

22 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 £8,970 (2022 - £8,551).

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

23 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:

	Movement in funds					
	Balance at 1 July 2021	Incoming resources	Resources expended	Balance at 1 July 2022	Resources expended 30 June 2023	Balance at 30 June 2023
	£	£	£	£	£	£
Nant Lais - Development of Community Home	969,671	-	(37,863)	931,808	(37,728)	894,080
Fareshare	1,905	-	(520)	1,385	(553)	832
Bridgend Association of Voluntary Organisations	230	-	-	230	(230)	-
Moondance Foundation	-	26,520	(2,040)	24,480	-	24,480
	<u>971,806</u>	<u>26,520</u>	<u>(40,423)</u>	<u>957,903</u>	<u>(38,511)</u>	<u>919,392</u>

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.

Moondance Foundation - this funding was provided to fund 6 companions for 12 months.

24 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 30 June 2023 are represented by:						
Tangible assets	256,557	919,392	1,175,949	305,117	933,193	1,238,310
Current assets/(liabilities)	52,711	-	52,711	158,070	24,710	182,780
Long term liabilities	(272,673)	-	(272,673)	(287,676)	-	(287,676)
	<u>36,595</u>	<u>919,392</u>	<u>955,987</u>	<u>175,511</u>	<u>957,903</u>	<u>1,133,414</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

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:

	2023 £	2022 £
Within one year	28,137	69,266
Between two and five years	-	28,137
	<u>28,137</u>	<u>97,403</u>

26 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

27 Cash generated from operations

	2023 £	2022 £
Deficit for the year	(177,427)	(1,138,536)
Adjustments for:		
Investment income recognised in statement of financial activities	(891)	(523)
(Gain)/loss on disposal of tangible fixed assets	-	210
Depreciation and impairment of tangible fixed assets	64,976	70,786
Movements in working capital:		
(Increase) in stocks	(2,552)	(2,254)
(Increase) in debtors	(9,642)	(46,806)
(Decrease)/increase in creditors	(15,310)	1,057,942
(Decrease) in deferred income	(24,752)	(248)
Cash absorbed by operations	<u>(165,598)</u>	<u>(59,429)</u>

28 Analysis of changes in net debt

	At 1 July 2022 £	Cash flows £	At 30 June 2023 £
Cash at bank and in hand	306,831	(182,026)	124,805
Loans falling due within one year	(15,856)	(299)	(16,155)
Loans falling due after more than one year	(287,676)	15,003	(272,673)
	<u>3,299</u>	<u>(167,322)</u>	<u>(164,023)</u>