

Charity Registration No. 1146326

Company Registration No. 07871687 (England and Wales)

EMMAUS LEICESTERSHIRE AND RUTLAND

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

EMMAUS LEICESTERSHIRE AND RUTLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Emmaus UK Peter Savage Rachelle Maxwell Kulvinder Sethi Jeanne-Marie Douglas Rajesh Gohil Marcella Forrest Ann O'Connell Simon Stacey Emily Smith Clive Pitt	(Appointed 17 May 2021)
Secretary	Clive Pitt	
Charity number	1146326	
Company number	07871687	
Principal address	The Emporium Stockwell Head Hinckley Leicestershire LE10 1RG	
Registered office	The Emporium Stockwell Head Hinckley Leicestershire LE10 1RG	
Independent examiner	David T Mayfield Mayfield & Co (Accountants) Ltd 2 Merus Court Meridian Business Park Leicester LE19 1RJ	
Bankers	Lloyds TSB Bank 54-56 Chestnut Drive Oadby Leicester LE2 5JG	

EMMAUS LEICESTERSHIRE AND RUTLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Headleys Solicitors
15 Station Road
Hinckley
Leicestershire
LE10 1AW

EMMAUS LEICESTERSHIRE AND RUTLAND

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EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2021

The trustees present their report and financial statements for the year ended 30 June 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts 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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

Policies and objectives; In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and in particular to its supplementary public benefit guidance.

The objects of the charity are, without distinction, the alleviation of homelessness and relief of poverty, hardship and the distress they cause to those in need. In addition to its work locally, Emmaus Leicestershire and Rutland is a member of both Emmaus Europe and Emmaus International and contributes to the work of these organisations materially to establish and maintain Emmaus communities throughout the rest of the World.

Strategies for achieving objectives

Emmaus Leicestershire & Rutland provides a home, work, education and training for previously homeless or vulnerable people in and around Leicestershire and Rutland. It also welcomes people who are interested in the way of life and opportunities offered by being an Emmaus companion.

Emmaus Leicestershire & Rutland Companions each have a room of their own and work together collecting, refurbishing and selling donated goods. They have the opportunity to gain new skills and regain their self-respect while working to support other people in greater need.

Emmaus Leicestershire and Rutland also helps local disadvantaged people to set up home at a reasonable cost, working closely together with Social Services, other charities, local churches and other voluntary organisations. Emmaus International's work has been supported by donations following Solidarity Sales.

We would like to thank everyone who supports our work, the generous people who donate items to us for sale in our shops together with those who come and buy them, the members of the public, churches and groups who continue to donate money to us and support our activities practically by working with us. We would also like to thank those people who have come forward to volunteer in our Community; by so doing they support and encourage companions with their knowledge and experience.

A key feature of the work we do consists of solidarity between ourselves and the community and building on the work we do with our companions. We look to work with vulnerable people and those members of society who may have hit hard times, and look to bring structure to their lives, provide them with responsibility and hope to see a rise in their self-esteem as a consequence of the opportunities they are provided with. Our approach is significantly influenced by the original companion Georges and along with the other Emmaus groups we owe a debt of thanks to Father Henri Marie Joseph Grouès - better known as the "Abbe Pierre".

EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2021

Public benefit statement

Emmaus activities are all designed to meet the needs of vulnerable people who may have hit on hard times. The charity's objects are to help with the relief of poverty, hardship and distress arising to those in need without distinction. Our activities are in conformance with the principles of the Emmaus movement as published from time to time by Emmaus UK.

We seek to provide accommodation or assistance in such provision, for homeless people in the area and such other places as may seem appropriate from time to time (the beneficiaries). We seek to provide 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.

We believe we have achieved our charitable objectives and therefore provided a public benefit. We have capacity to house sixteen companions in accommodation and they are receiving the relevant support and training that they require, whilst having the opportunity to work and contribute to the future success of the charity.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Review of activities; This report covers the year since the AGM in November 2020.. It sets out activities and changes within the organisation in that period and includes the accounts for the period 1 July 2020 to 30 June 2021.

This year has been another very busy period with the team working together to strengthen the role the charity plays in supporting the homeless and exploring opportunities for supporting the sustainability of its operations for the future. The staff team, companions and volunteers have contributed tremendously to the charity's performance this year.

We continue to invest in improving the awareness of Emmaus within the local communities and whilst this is a long term objective there have been a number of positive examples which serve to highlight the work that we do. Our relationships with local authorities and other voluntary and community sector organisations across the county are good and underpin the delivery of our service in local areas.

We are excited to confirm the purchase of buildings on Stockwell Head in Hinckley which has been a priority for a number of years. This begins the next phase of the Charity's vision to expand and increase its Service.

Our aim is to support our companions towards more fulfilled and independent lives whatever form it may take. We have continued to maintain our residences to a good standard and meeting our legal requirements.

We maintained a high occupancy level of our residential accommodation through the year reflecting the stability that we have enjoyed within the community. The companions were provided with support in their training and development through in house support and through external training providers.

We have continued to deliver The Brighter Futures Project managed in conjunction with Business2Business as lead partner and funded by European Social Fund and the Big lottery Community Fund.

Through this project we provide a wide range of learning and employment support interventions to tackle root causes of poverty and support holistic social inclusion in the Leicester and Leicestershire areas. Through the project Emmaus Leicestershire & Rutland is able to support those who are homeless, unemployed or economically inactive.

EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2021

Financial review

In financial terms in normal times the charity recognises it is operating in challenging conditions, with considerable competition within the business sector we operate in and access to funding is also difficult.

This year we have also coped with the challenges arising from the closure of our shops due to the pandemic caused by COVID-19. Our shops were closed for about 4.5 months. Based on our budget we lost approximately £62,000 in shop income during this time. We received £65,063 from the HMRC Covid-19 Local Authority Support and the Job Retention Scheme. Our surplus reflects stronger shop sales than expected when we were open and we were also successful in receiving other COVID related and business recovery grants which allowed us to maintain our reserves and our charitable services for the benefit of our companions.

With the help of a £100,000 grant from Emmaus UK and £15,000 from Leicestershire County Council, in May of this financial year we completed the purchase of the buildings at Stockwell Head where we have traded for many years as a successful business. This is a significant step in our plans to expand the community and become financially sustainable in the long term.

Our charity was set up with initial funding supplied to us from the Pera Foundation which financed our early years. The amount remaining from that fund has now been designated to support future growth or help manage our journey to sustainability.

We also continue to be supported from the generosity of other donors and grant making bodies, as well as other member groups within the wider Emmaus family; primarily towards the support work with companions or specific projects or capital acquisitions.

During the year we had total income of £866,641 and expenditure of £588,584. This resulted in a surplus for the year of £278,057 (2020: surplus of £125,596). The higher surplus this year is due partly to £115,000 in restricted grants for our property purchase and from higher donations, gifts and grants mainly COVID related which will be used to offset losses, secure our sustainability and maintain our reserves.

We will carry forward £136,323 of restricted funding, £107,944 of which relates to equity in our new property the remaining restricted funding we envisage will be spent in the ensuing years. A breakdown of these balances is shown in note 21 on page 23.

Our financial results enable us to achieve our charitable objective of providing a community for people who have been homeless, where they can live, receive support and develop skills and dignity through the community life and work within the social enterprise business.

Reserves policy

As a matter of policy the Trustees regularly review the level of reserves required to be held in order that the charity can maintain its operations into the future. Our revenue and capital reserves are reviewed regularly throughout the year.

Our reserves policy is to have at least three months of normal expenditure in free (cash) reserves at any one time. Our expenses totalled £588,584 for the year which would require reserves of at least £147,146. Our total reserves at the year-end were £642,152. Our reserves excluding equity in our new property of £157,847 (£760,000 purchase price minus £602,153 mortgage) were £484,305. Our cash balance at the year end was £410,615. Holding reserves of at least £147,146 as free reserves in cash plus £50,000 of working capital leaves £213,469 reserves above this limit.

This £213,469 of reserves which we calculate as above the minimum required policy limit would comprise our designated funds of £188,545 plus £24,924 of unrestricted funds. These will be used to support future growth and offset future risks and potential losses from our growth and expansion aims as outlined in our five year strategic plan.

EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2021

Apart from the risk of further losses due to COVID-19, our key financial risk going forward is from our plans to generate an extra £100,000 income per year which previously came from the Brighter Futures project which is due to end in March 2022. We plan to replace this income with increased retail sales and newly sourced long term funding. Also we face the risks of a possible fall in the level of housing benefit receivable, rising costs and not being able to secure the same level of general operating grant and donations that we have done up to now.

Principal Funding

The results of the year's operations are set out in the attached financial statements. Please refer to our Statement of Financial Activities which can be found on page 9 and our Balance Sheet on page 10.

We received funding from donations and legacies, which includes grant funding, and totalled £527,426 during the year which is an increase on 2020 (£351,135). This is due mainly to £115,000 restricted grants for our property purchase and relatively more COVID-19 related grants than 2020.

We received £161,875 from housing benefit (2020: £166,786) and raised £176,972 of funds through our shop sales and other activities (2020: £201,071).

Of the total funds received during the year £398,123 were restricted funds and £468,518 were unrestricted funds.

The restricted funds were from grants for our property purchase and from our partnership in a project called Brighter Futures. This project is funded by the Big Lottery Community Fund in partnership with the European Social Fund (ESF), together they have created a fund called Building Better Opportunities (BBO) which aims to tackle poverty and promote social inclusion. This BBO fund in turn funds a series of partnership projects in Leicestershire called Brighter Futures.

The staff have worked extremely hard to provide the necessary detailed supporting documentation for the Brighter Futures project which covers the important work they contribute to the success of the project and to securing this funding for the future sustainability of Emmaus Leicestershire & Rutland.

We use unrestricted funds to help to balance our Social Enterprise income and housing benefit over the costs of running the charity and supporting the companions.

Our designated fund of £188,545 consists of the original Pera Foundation which provided us with a charitable donation of £225,000 in 2012 and as at the 30 June 2020 there remained a balance of £130,408, to this we have added the surplus of £58,137 from 2020. This designated fund will be used to support future growth opportunities in line with our strategic plan to transition to a new level of sustainable operations for the community.

Finally, we take this opportunity to thank all our donors for their much needed contributions.

Risk Management

The Trustees regularly review their strategic and operational risks, also reviewing on a regular basis policy and procedures with regard to minimising the risks which the charity, its employees, companions, volunteers and customers might encounter. Health and safety and specific procedure notes exist for any areas of concern. Specific nominated personnel have overall responsibility for ensuring compliance. These cover, but not exclusively, workshops, misuse of drugs and alcohol, finance, manual handling, safeguarding and COSHH.

EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2021

Plans for the future.

The income from our social enterprises has grown steadily and we will continue to manage our costs to maintain maximum operational efficiency. We have now purchased two adjacent buildings including the building where we have our main retail shop. Our strategy is to consolidate and expand our operations in one location and renovate part of the buildings to residential to relocate our companions to the same site. We will aim to increase our retail sales and funding income to replace the BBO, Brighter Futures funding which ceases in March 2022. We will seek capital funding for our renovation plans which we hope to have completed in the next three years.

We will continue to try to give our companions opportunities to take responsibility for their own lives and actions, in a supportive environment. A lot of effort has been put into encouraging them to tackle the roles and challenges ahead and for them to become more independent. We hope to continue working with them to improve their life skills with a view to moving on to live independently. We will continue to support those who prefer to remain within the Emmaus family and also to continue to work with other agencies in the area supporting each other along the way. The community will also seek to help more homeless and marginalised people in these testing times.

Finally, we will continue to work to raise the profile of members of the Emmaus family. Life within Emmaus will always be challenging because of the nature of the challenges faced by increasing numbers of homelessness within our society but we are confident that we will continue to accept those challenges with enthusiasm and commitment.

Structure, governance and management

Organisation

On the 5th December 2011 Emmaus Leicestershire and Rutland was incorporated under the Companies' Act 2006 as a private company limited by guarantee, registered number 07871687.

The company was granted charitable status on the 9th March 2012 under charity number 1146326.

Constitution

The charity is constituted under a Memorandum of Association dated 5th December 2011 and is a registered charity.

The Memorandum of Association has been amended in accordance with the wishes of Emmaus UK and a new constitution was agreed on 8th December 2014.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Emmaus UK

Peter Savage

Rachelle Maxwell

Kulvinder Sethi

Jeanne-Marie Douglas

Rajesh Gohil

Marcella Forrest

Harjit Saund

(Resigned 28 September 2021)

Ann O'Connell

Simon Stacey

Emily Smith

Karan Chadha

(Appointed 14 December 2020 and resigned 28 September 2021)

Clive Pitt

(Appointed 17 May 2021)

EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2021

It was generally felt that the Board would benefit not only from additional Trustees, to share the load, but also from a wider range of skill, expertise and diversity. We will continue to encourage people with appropriate skills, free time and a passion to support our work to apply to join us.

Method of appointment or election of Trustees

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

Trustee nominations usually come from other Trustees within the charity, its supporters and through advertising in the local media and county wide networks.

These nominations must be approved by existing Trustees, in accordance with the Articles of Association. When specific skills are required, approaches would be made to people with relevant expertise who are sympathetic to the ethos of the Charity. If necessary, a Trustee would be co-opted specifically to cover the required function, the current Trustees are those shown on page 1.

Policies adopted for the induction and training of Trustees

Each new Trustee is briefed about the Community and their legal and ethical responsibilities as Trustees. Any prospective Trustee needs to attend one board meeting to observe the requirements and responsibilities to be undertaken. Then when an individual is ready to join the board an induction pack is given to each new Trustee to support the briefing prior to their appointment. In addition, there is an opportunity to attend a full day induction session run by Emmaus UK. Periodic appraisals are undertaken of 'Trustees skills and experience' and suitable training is offered.

Organisational structure and decision making

In order to work effectively towards the alleviation and relief of poverty in and around Leicestershire and Rutland, Trustees and the Leadership Team believe that the Companions are central to the existence of the organisation and this is reflected in the structure of the charity.

Each week a meeting of the whole community takes place in order to discuss and agree decisions which affect the community as a whole.

Related party relationship

Emmaus Leicestershire and Rutland is member of the Federation of Emmaus in the UK and continues to work closely with Communities, Groups and staff in the Federation.

Independent Examiners

A resolution will be proposed at the Annual General Meeting that David Mayfield of Mayfield and Co (Accountants) Ltd will be re-appointed as Independent Examiner to the charity for the ensuing year.

Trustees' liability

The Trustees of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2021

Chair's Report

It is my pleasure to provide a short summary of the 2020/ 2021 Emmaus Leicestershire and Rutland year.

Our Mission is 'to enable people to overcome homelessness in Leicestershire and Rutland' which we deliver by providing accommodation, work and supporting services to a group of companions based in Hinckley. I think it is fair to say that we have experienced an unusually high level of turbulence within our Charity in the past twelve months. This turbulence has created pressure for all of those associated with Emmaus and I want to put on record my thanks to everyone involved for their efforts during the year.

Once again our community has remained settled during the past year and this is a great credit to the Companions and those who work to support them. We have worked extremely hard to implement appropriate Covid-19 protections and at the time of writing have had no positive cases within the community. Needless to say we will continue to remain vigilant to ensure that companions remain safe.

In early 2020 and after an extended period of negotiation we completed the purchase of our existing and adjoining buildings at Stockwell Head, Hinckley. This is a landmark transaction for the charity giving us ownership of our primary trading base and crucially the foundation to expand and develop our community in line with our vision. The potential of this move is substantial and work will soon begin to bring forward plans which will enable us to see what might be possible.

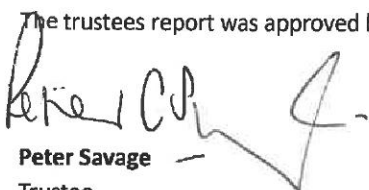
The Brighter Future's project team have continued to operate throughout the year and continue to provide support of various types to those who unfortunately become homeless, unemployed or economically inactive. This project has benefitted a number of people by providing assistance in the areas of support, advice and training to allow them to make progress towards work. It has also allowed Emmaus to evaluate its capability to provide complimentary services to those which we think of as our core offering.

There have been a number of changes to our Trustee Board this year and I am grateful to all for the level of engagement which has been provided. The focus on delivering high level service to Companions is central to our purpose and this is very much the philosophy which the Board applies to its oversight responsibilities.

As ever there are a number of priorities for us in the coming year including managing through some changes in our property holdings and management structure. This will ensure that we are kept busy in the next few months but against the backdrop of working to improve the companion experience- which I make no excuse for reminding everyone is the absolute reason that we exist.

Finally I must pay tribute to all those people who support our wonderful charity. The staff team have excelled this year and have been supported by Trustees perhaps more than ever. Finally I want to thank our volunteer team who work really hard to maintain and improve our Charity. And so, and despite everything, I think that 2020 and 2021 has been an overwhelmingly positive year for the charity and that is a reflection on those who are helping to make it work.

The trustees report was approved by the Board of Trustees.



Peter Savage

Trustee

Dated: 30 November 2021

EMMAUS LEICESTERSHIRE AND RUTLAND

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EMMAUS LEICESTERSHIRE AND RUTLAND

I report to the trustees on my examination of the financial statements of Emmaus Leicestershire and Rutland (the charity) for the year ended 30 June 2021.

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 , 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.



David T Mayfield

Mayfield & Co (Accountants) Ltd

2 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Dated: 30 November 2021

EMMAUS LEICESTERSHIRE AND RUTLAND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2021

		Unrestricted funds general	Designated funds	Restricted funds	Total 2021	Total 2020
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	3	129,303	-	398,123	527,426	351,135
Charitable activities	4	161,875	-	-	161,875	166,786
Raising funds	5	176,972	-	-	176,972	201,071
Investments	6	7	-	-	7	26
Other income	7	361	-	-	361	-
Total income		468,518	-	398,123	866,641	719,018
Expenditure on:						
Charitable activities	8	311,234	-	277,350	588,584	593,422
Net income for the year/ Net movement in funds		157,284	-	120,773	278,057	125,596
Fund balances at 1 July 2020		160,000	188,545	15,550	364,095	238,499
Fund balances at 30 June 2021		317,284	188,545	136,323	642,152	364,095

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 LEICESTERSHIRE AND RUTLAND

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13		782,755		19,690
Current assets					
Debtors	14	94,565		74,724	
Cash at bank and in hand		410,615		308,896	
		505,180		383,620	
Creditors: amounts falling due within one year	17	(59,645)		(39,215)	
Net current assets			445,535		344,405
Total assets less current liabilities			1,228,290		364,095
Creditors: amounts falling due after more than one year	18		(586,138)		-
Net assets			642,152		364,095
Income funds					
Restricted funds	21		136,323		15,550
<u>Unrestricted funds</u>					
Designated funds	20	188,545		188,545	
General unrestricted funds		317,284		160,000	
			505,829		348,545
			642,152		364,095

EMMAUS LEICESTERSHIRE AND RUTLAND

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2021

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 2021. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

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.

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

The accounts were approved by the Trustees on 30 November 2021



Ann O'Connell
Trustee

Company Registration No. 07871687

EMMAUS LEICESTERSHIRE AND RUTLAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	26		274,472		138,389
Investing activities					
Purchase of tangible fixed assets		(767,980)		-	
Proceeds on disposal of tangible fixed assets		-		4,909	
Investment income received		7		26	
Net cash (used in)/generated from investing activities			(767,973)		4,935
Financing activities					
Repayment of bank loans		602,153		-	
Payment of obligations under finance leases		(6,933)		(7,657)	
Net cash generated from/(used in) financing activities			595,220		(7,657)
Net increase in cash and cash equivalents			101,719		135,667
Cash and cash equivalents at beginning of year			308,896		173,229
Cash and cash equivalents at end of year			410,615		308,896

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Charity information

Emmaus Leicestershire and Rutland is a private company limited by guarantee incorporated in England and Wales. The registered office is The Emporium, Stockwell Head, Hinckley, Leicestershire, LE10 1RG.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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.

1.5 Expenditure

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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, others are apportioned on an appropriate basis.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

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:

Land and buildings	Nil
Motor vehicles	25% 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 net income/(expenditure) for the year.

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 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.

1.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

3 Donations and legacies

	Unrestricted funds general £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and gifts	6,240	806	7,046	14,010
Grants receivable	123,063	397,317	520,380	337,125
	<u>129,303</u>	<u>398,123</u>	<u>527,426</u>	<u>351,135</u>
For the year ended 30 June 2020	<u>124,250</u>	<u>226,885</u>		<u>351,135</u>
Donations and gifts				
General donations	6,240	806	7,046	14,010
	<u>6,240</u>	<u>806</u>	<u>7,046</u>	<u>14,010</u>
Grants receivable for core activities				
Building Better Opportunities (BBO)	-	165,205	165,205	204,285
The National Lottery	-	82,446	82,446	-
Emmaus UK	-	100,000	100,000	-
Cadent Foundation	-	5,000	5,000	-
HBBC Business Recovery	-	14,023	14,023	-
HMRC Covid-19 Local Authority Support	55,143	-	55,143	75,000
Job Retention Scheme	9,920	-	9,920	2,240
Leicestershire and Rutland Community Foundation	-	5,000	5,000	4,600
Leicestershire County Council	-	15,000	15,000	18,000
Lloyds Foundation	33,000	10,643	43,643	33,000
Adept Care Homes	25,000	-	25,000	-
	<u>123,063</u>	<u>397,317</u>	<u>520,380</u>	<u>337,125</u>

4 Charitable activities

	2021 £	2020 £
Housing Benefit	<u>161,875</u>	<u>166,786</u>

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

5 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Shop income	176,972	201,071

6 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	7	26

7 Other income

	Unrestricted funds general 2021 £	Total 2020 £
Rental income	361	-

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Charitable activities

	Unrestricted Charitable Expenditure 2021 £	Restricted Charitable Expenditure 2021 £	Total 2021 £	Total 2020 £
Staff costs	69,603	155,545	225,148	255,028
Depreciation and impairment	4,914	-	4,914	7,398
Staff training and expenses	3,581	1,766	5,347	2,243
Companion and fundraising expenses	57,058	10,671	67,729	63,217
Purchases including coffee shop	-	-	-	2,396
Rent, rates and water	52,245	52,083	104,328	107,357
Light and heat	16,268	14,845	31,113	31,845
Repairs, maintenance and computer equipment	20,433	19,490	39,923	30,987
Legal and professional fees	15,748	7,160	22,908	7,395
Insurance	5,774	4,098	9,872	10,020
Sundry expenses	12,618	777	13,395	11,159
Telephone, internet and television	6,455	3,070	9,525	11,212
Printing, postage and stationery	7,400	704	8,104	5,924
Advertising	517	2,978	3,495	5,770
Motor and travel expenses	18,004	92	18,096	23,297
Other charitable expenditure	10,540	4,071	14,611	8,070
	<u>301,158</u>	<u>277,350</u>	<u>578,508</u>	<u>583,318</u>
Share of governance costs (see note 9)	10,076	-	10,076	10,104
	<u>311,234</u>	<u>277,350</u>	<u>588,584</u>	<u>593,422</u>
Analysis by fund				
Unrestricted funds - general	311,234	-	311,234	365,665
Restricted funds	-	277,350	277,350	227,757
	<u>311,234</u>	<u>277,350</u>	<u>588,584</u>	<u>593,422</u>
For the year ended 30 June 2020				
Unrestricted funds - general	365,665	-		365,665
Restricted funds	-	227,757		227,757
	<u>365,665</u>	<u>227,757</u>		<u>593,422</u>

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

9 Support costs

	Support costs	Governance costs	2021	2020	Basis of allocation
	£	£	£	£	
Independent examiners fees	-	4,140	4,140	3,660	Governance
Accountancy fees	-	2,750	2,750	2,800	Governance
Bank charges	-	3,186	3,186	3,644	Governance
	-	10,076	10,076	10,104	
Analysed between Charitable activities	-	10,076	10,076	10,104	

Governance costs includes payments to the independent examiners of £4,140 (2020-£3,660) for examination fees.

10 Trustees

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

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
General charitable activities	9	9
Employment costs	2021 £	2020 £
Wages and salaries	225,148	255,028

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

12 Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

13 Tangible fixed assets

	Land and buildings	Motor vehicles	Total
	£	£	£
Cost			
At 1 July 2020	-	38,009	38,009
Additions	767,980	-	767,980
At 30 June 2021	767,980	38,009	805,989
Depreciation and impairment			
At 1 July 2020	-	18,320	18,320
Depreciation charged in the year	-	4,914	4,914
At 30 June 2021	-	23,234	23,234
Carrying amount			
At 30 June 2021	767,980	14,775	782,755
At 30 June 2020	-	19,690	19,690

For land and buildings, a new property was purchased just prior to the year-end and before refurbishment. On this basis no depreciation has been charged as the trustees consider the value to be in line with the purchase price of the property.

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	4,461	2,405
Other debtors	45,398	30,462
Prepayments and accrued income	44,706	41,857
	94,565	74,724

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

15 Loans and overdrafts

	2021 £	2020 £
Bank loans	602,153	-
Payable within one year	16,015	-
Payable after one year	586,138	-
Amounts included above which fall due after five years:		
Payable by instalments	516,854	-

The long-term loans are secured by fixed charges over the property The Emporium, Stockwell Head, Hinckley, Leicestershire, LE10 1RG.

16 Finance lease commitments

Future minimum lease payments due under finance leases:

	2021 £	2020 £
Within one year	-	6,933

17 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	15	16,015	-
Obligations under finance leases		-	6,933
Other taxation and social security		3,900	3,868
Trade creditors		15,707	2,935
Other creditors		15,213	12,219
Accruals and deferred income		8,810	13,260
		59,645	39,215

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

18 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	15	586,138	-

19 Unrestricted funds

	Balance at 1 July 2020 £	Movement in funds		Balance at 30 June 2021 £
		Income £	Expenditure £	
General Operating Activities	160,000	468,518	(311,234)	317,284
	160,000	468,518	(311,234)	317,284

20 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:

	Balance at 1 July 2020 £	Movement in funds		Balance at 30 June 2021 £
		Income £	Expenditure £	
Pera Foundation	188,545	-	-	188,545
	188,545	-	-	188,545

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

21 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			Movement in funds			
	Balance at 1 July 2019	Income	Expenditure	Balance at 1 July 2020	Income	Expenditure	Balance at 30 June 2021
	£	£	£	£	£	£	£
The Van Fund	2,790	-	(2,790)	-	-	-	-
Building Better Opportunities (BBO)	(10,427)	204,285	(201,465)	(7,607)	165,205	(166,869)	(9,271)
The National Lottery	-	-	-	-	82,446	(82,446)	-
Emmaus UK	-	-	-	-	100,000	-	100,000
Cadent Foundation	-	-	-	-	5,000	(5,000)	-
HBBC Business Recovery	-	-	-	-	14,023	-	14,023
Leicestershire and Rutland Community Foundation	-	4,600	(4,600)	-	5,000	(5,000)	-
Leicestershire County Council	-	18,000	(18,000)	-	15,000	(7,056)	7,944
Lloyds Foundation	-	-	-	-	10,643	(8,153)	2,490
The Bailey Will Trust - Companion training & progression	14,059	-	(902)	13,157	-	(2,020)	11,137
The Bailey Will Trust - Property Purchase	10,000	-	-	10,000	-	-	10,000
Other	-	-	-	-	806	(806)	-
	<u>16,422</u>	<u>226,885</u>	<u>(227,757)</u>	<u>15,550</u>	<u>398,123</u>	<u>(277,350)</u>	<u>136,323</u>

The charity has significant restricted funds carried forward, some of which were raised to enable the charity to purchase the property during the year. As at the year end no costs had been allocated against this income.

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

22 Analysis of net assets between funds

	Unrestricted Funds	Designated funds	Restricted Funds	Total	Total
	2021	2021	2021	2021	2020
	£	£	£	£	£
Fund balances at 30 June 2021 are represented by:					
Tangible assets	672,755	-	110,000	782,755	19,690
Current assets/(liabilities)	230,667	188,545	26,323	445,535	344,405
Long term liabilities	(586,138)	-	-	(586,138)	-
	<u>317,284</u>	<u>188,545</u>	<u>136,323</u>	<u>642,152</u>	<u>364,095</u>

23 Financial commitments, guarantees and contingent liabilities

A grant of £100,000 was received from Emmaus UK (a national charity which provides guidance and support for individual Emmaus communities such as Emmaus Leicestershire and Rutland) in 2021 and has been used to help purchase The Emporium, Stockwell Head, Hinckley, Leicestershire, LE10 1RG as the community accommodation. This grant becomes repayable if the building is sold or if Emmaus Leicestershire and Rutland ceases to be a member of Emmaus UK. At the year end the balance was £100,000.

24 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:

	2021 £	2020 £
Within one year	53,004	95,844
Between two and five years	4,294	95,844
	<u>57,298</u>	<u>191,688</u>

Operating leases have previously related to rent commitments on 4 properties. During the year the charity purchased one of these properties, and had served notice on the remaining 3 properties. As a result, the charity's lease commitments are due to end in 2022.

The charity are currently in the process of negotiating the renewal of a lease on 1 of the properties, but no agreement had been reached as at the year end.

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	89,012	89,110

26 Cash generated from operations

	2021 £	2020 £
Surplus for the year	278,057	125,596
Adjustments for:		
Investment income recognised in statement of financial activities	(7)	(26)
Depreciation and impairment of tangible fixed assets	4,914	7,398
Movements in working capital:		
(Increase)/decrease in debtors	(19,840)	8,062
Increase/(decrease) in creditors	11,348	(2,641)
Cash generated from operations	274,472	138,389