

Charity registration number 1077805

Company registration number 03805699 (England and Wales)

EMMAUS COLCHESTER
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

EMMAUS COLCHESTER

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Charity name	Emmaus Colchester
Charity number	1077805
Company registration number	03805699
Principal and Registered office	175 Magdalen Street Colchester Essex CO1 2JX
Trustees	Robert Sugden (resigned 7 July 2022) Charles Ince (resigned 16 August 2021) James McElhinney ACA Andrew Craig (resigned 6 June 2022) Francis Perera Laura Petford (resigned 28 July 2021) Victoria Fuller Jamie Riddell (resigned 26 November 2021) Thomas Empson Gaynor Bell (appointed 4 January 2022) Tribhuvan Singh (appointed 17 May 2022) Sean Connolly (appointed 1 September 2022)
Chief Executive Officer	Brian Cooke
Independent Examiner	Richard Lane of LB Group (Stratford) Number One Vicarage Lane Stratford London England E15 4HF
Bankers	National Westminster Bank PLC 25 High Street Colchester CO1 1DG CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	Trowers & Hamblins 3 Burnhill Row London EC1Y 8YZ

EMMAUS COLCHESTER

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EMMAUS COLCHESTER

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company'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

The aims of the charitable company are the alleviation and relief of poverty and hardship for those in need without distinction. The principal activities in the period were the recycling of donated household goods for the benefit of homeless people in the area.

Review of activities and achievements: July 2021 to June 2022

The results of the year's operations are set out in the attached financial statements.

Trading income for the year was £414,296 compared to last year £302,659, an increase of £111,637. Rental income receipts from Housing Benefit were down by £8,957 to £152,763 a 5.54% decrease from 2020/21. Income from grants and donations was £61,651 (a decrease of 70.42% from 2020/21).

After providing for charitable services, the Charity had a surplus of £9,532 compared to a surplus of £87,009 in the previous year.

The Trustees noted the difficult trading conditions associated with High Street outlets generally that has affected Emmaus Colchester as well.

Financial review

Major grants and donations during the year were

1. £50,000 from Lloyds Bank Foundation
2. £1,000 from Groundworks
3. £1,000 from Arnold Clark Community Fund

During the year we:

- Provided support, meaningful activities and housing to formerly homeless people whom we refer to as "Companions".
- Actively focused on recruiting Companions with low risks and relatively low support needs. Adopting a zero tolerance policy on drug use (with the option of drugs tests) improving the appropriateness of referrals and reducing the risk of placements breaking down.
- Extended the range of agencies making referrals to us and provided clearer eligibility criteria. Regular email updates and telephone conversations with referring agencies ensure that they keep us in mind. If we cannot assist with a referral we try to signpost them to another Emmaus Community that can. Feedback is provided on occasions that we cannot help, explaining why this is.

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TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Community

During the year we had an average of 17.85 Companions in residence compared with an average of 17.44 the previous year. Since the year end our companion numbers have increased to an average of 21.8. The average length of stay was 52 weeks and the stability of living in the Community resulted in many positive outcomes. Of those who left, 2 found work, 10 moved into private accommodation, 4 moved to another Emmaus Community, several chose not to disclose where they were moving on to.

Our community staff has developed close relationships with local services, which are the main source of referrals. We select candidates who are prepared to live and volunteer in a community environment and comply with our rules concerning drugs and alcohol. We are working closely with Joint Referral Panel that has fortnightly meetings with all housing providers in Colchester to meet the needs of the applicants and to increase the incoming referrals to join our community.

We would like to thank all the Companions, staff and volunteers for their support and contribution to the stability of the Community and to another successful year's trading.

Companion Support

All our Companions continue to receive one-to-one support sessions, carried out by the Community Manager and support staff.

We continue to provide courses in Food Hygiene, First-aid, Health & Safety, Manual Handling and PAT testing for Companions and staff. Companions are also encouraged to attend evening/weekend training courses provided by the local Community College to learn or improve their skills. Online courses are being promoted on a regular basis for the companions to work on during their free time to enable them to improve their skills and enhance their CV's. We continue to promote training programmes to our companions.

The Emmaus UK Companion Training Fund continues to be a valuable resource to fund training opportunities for our companions. During the year, it has funded, CBT Specialist driving courses, driving lessons, contributed to the purchase of laptops to enable companions to search for work and connect with their friends and family, and contributed to the purchase of bicycles for companions.

Companions have continued to be trained in the process of restoring/upcycling furniture in the shabby chic style.

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TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Companions are given time off to find work and attend job interviews. In cases where they find work, Companions agree a person-centered move on support plan which includes assistance in finding accommodation, budgeting etc. Once a companion starts working outside the community, they can stay living here for up to 3 months and are being asked to pay a subsidised rent and food fee. Companions continue to be supported whilst they are on the move on scheme, our policy being to encourage Companions to move out of the Community once they have re-gained their confidence and found an external job, without pressurizing the more vulnerable who may want to stay in the Community for an extended period. Furthermore, we continue to support ex-Companions where appropriate.

Companions receive two weeks holiday and two long weekends a year and are encouraged to leave the community, visit friends and family or explore other Emmaus Communities.

Health and Welfare

Social events have started up again, companions have enjoyed go karting, air soft, a Chinese meal and enjoyed a trip to a water park as a group.

Solidarity with others in need

We continue to provide support for people & families in crisis and in need of basic furniture. We work with other support agencies to which those most in need can appeal and supply those in need with beds, table and chairs and other essential items which are delivered free. Over the year we provided around £1,200 worth of free furniture to 8 people/families. Whilst the average value of donated items per person is £120, this has to be taken in the context that we sell very low priced items. We also found that many peoples' need is much greater and it is not unusual for the donation to be in excess of £150.

We were unable to carry out our usual Operation Christmas project this year which supports local families in donating gifts to children whose families use the local food bank. We did however donate lots of gifts to another local group who were organizing a similar scheme. We continue to stay in touch with Lexden Springs School pupils who have learning disabilities. Although activities with the school were suspended during the pandemic, we are planning to resume work with Lexden Springs in the new school year. We continue to collect and donate tools to the charity Workaid, a charity that collect refurbish and ship used tools to communities in need to help them to earn a living.

Emmaus UK and Emmaus International

As a member of the national organisation, we continue to benefit from advice and assistance on a number of matters including, marketing, recruitment and HR. We are grateful to the Emmaus UK staff for their readily available assistance.

We continue to play a role in the development and growth of Emmaus in the UK by welcoming visitors and potential funders from other Emmaus Communities and Groups, including Emmaus International. We also actively participate in the Emmaus UK debates on the future direction of the Emmaus Federation and enjoyed being part of the formation of the 5-year strategic plan and now its implementation.

Social Enterprise

The primary objective of Emmaus Colchester is to provide a home and work for previously homeless people. The sale of donated household goods, furniture, electrical appliances and clothes provides a substantial part of the community's income with the balance made up from support from donors and Companions run these trading activities in conjunction with staff and volunteers.

The work undertaken by Companions in the retail of Second-hand goods is central to the Community's ethos of giving the Companions' dignity and self-respect. Many Companions regain control of their lives and some move on to paid employment. For some, living and working in the Community gives their lives stability and reduces the risk of returning to alcohol and illegal drugs.

We operated from a retail warehouse, a High Street shop and New Life Shop and Cafe, the latter closed at the year end.

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TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Our Supporters

We express our grateful thanks for the generous financial support of our corporate and charitable supporters, both for their past and future commitments, to the many individual donors of furniture and household goods who keep the social enterprise supplied and to the volunteers who have donated many hours of their time.

Reserves Policy

It is the policy of the charitable company 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 charitable company'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.

Our policy is to hold an expense reserve to cover 3 months expenditure, and an investment reserve to fund capital investment in the community and expansion of the business.

At the end of the financial year our reserves stood at:

	30.6.2022	30.6.2021
Community House Capital Fund	823,282	831,008
General Funds	763,737	636,532
Total Unrestricted Income Funds (per note 16)	1,587,019	1,467,540

Risk management

The Trustees regularly review their policy and procedures to minimise the risks which the Charitable Company, its employees, Companions, volunteers and customers might encounter. Where appropriate systems or procedures have been established to mitigate such risks.

Internal control risks are minimised by the implementation of procedures for authorisation of financial transactions. The Community is committed to effective health and safety risk management. Risk assessments and specific procedures are completed, reviewed and maintained. New activities and potential risks are also assessed. Staff, Companions and volunteers participate in a health and safety induction, with additional training offered when desirable or necessary.

Structure, governance and management

The charitable company is a company limited by guarantee is directed by a Board of Trustees and governed by its Memorandum and Articles of Association.

EMMAUS COLCHESTER

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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:

Robert Sugden (resigned 7 July 2022)
Charles Ince (resigned 16 August 2021)
James McElhinney ACA
Andrew Craig (resigned 6 June 2022)
Francis Perera
Laura Petford (resigned 28 July 2021)
Victoria Fuller
Jamie Riddell (resigned 26 November 2021)
Thomas Empson
Gaynor Bell (appointed 4 January 2022)
Tribhuwan Singh (appointed 17 May 2022)
Sean Connolly (appointed 1 September 2022)

The Charitable Company is directed by a Board of Trustees who are elected and co—opted under the terms of the Memorandum and Articles of Association. Trustee nominations must be approved by existing Trustees. Trustees give their time voluntarily and received no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 9 to the accounts. 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.

The Board of Trustees meets 8 times per year and is responsible for the strategic direction and policy of the Charitable Company.

Day to day responsibility for the operation of the Charity are delegated to the Chief Executive Officer who is responsible for ensuring that the Charitable Company delivers the activities specified and that key performance indicators are met. The CEO is also responsible for ensuring that the team continues to develop their skills and working practices in line with good practice.

A fundamental principle of the Emmaus ethos is that the Companions are central to the existence of the organisation. Emmaus Colchester continually seeks to promote this in the organisational structure and decision making. A Community meeting takes place each week to discuss and agree decisions which affect the community as a whole. In addition we actively encourage Companions to take responsibility for each other and some undertake operational tasks in the capacity of the Responsible Companion.

Each new Trustee is briefed about the Community, their legal and ethical responsibilities and an induction programme is in place which includes visiting other Communities. Periodic appraisals are undertaken of Trustee's skills and experience and suitable training is offered.

EMMAUS COLCHESTER

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Who benefits from our work?

Emmaus Colchester started the year with accommodation available for approximately 23 Companions, expanding to 27 within the financial year. Our current funding structure relies on Housing Benefit and on revenue generated from our business activities as the main sources of income. We rely on grants and donations as the main sources of income for capital expenditure and to cover any revenue deficit. Emmaus Colchester claims basic Housing Benefit on behalf of the Companions which is paid directly into the Community's account, Companions do not claim any other benefits which they would otherwise be entitled to. Potential Companions can either refer themselves or can be referred by a third party (probation officer, support worker for example) with their permission. Emmaus Colchester actively develops relationships with other services, charities, and churches locally and nationally to generate referrals, and encourages Companions and other homeless people to contact us by word of mouth. Applicants must be unemployed and homeless or otherwise vulnerably housed. Emmaus Colchester's success depends on creating and maintaining a welcoming, supportive, and stable community and therefore before anyone is accepted detailed assessments of need and risk are undertaken. Emmaus Colchester will take applicants who present complex needs provided the community as a whole is able to support them. The charity has complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the charity commission.

The trustees report was approved by the Board of Trustees.

DocuSigned by:

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James McElhinney ACA
Trustee
Registered office:
175 Magdalen Street
Colchester
Essex
CO1 2JX

Date: 22-03-23
Date:

EMMAUS COLCHESTER

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2022

The trustees, who are also the directors of Emmaus Colchester for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Independent examiner

Richard Lane of LB Group (Stratford) was appointed as Independent Examiner of the charitable company.

Accounting exemptions

In preparing this report the directors have taken advantage of small companies exemptions provided by section 415 of the Companies Act 2006.

EMMAUS COLCHESTER

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF EMMAUS COLCHESTER

I report to the trustees on my examination of the financial statements of Emmaus Colchester (the charitable company) for the year ended 30 June 2022.

Responsibilities and basis of report

As the trustees of the charitable company (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 charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company'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 charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of 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:

- accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- the financial statements do not accord with those records; or
- 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
- 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.

Richard Lane (Senior Statutory Auditor)
For and on behalf of LB Group (Stratford)

Date:

Chartered Accountants
Statutory Auditor

Number One
Vicarage Lane
Stratford
London
England
E15 4HF

EMMAUS COLCHESTER

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income and endowments from:							
Donations and legacies	3	166,329	(77,294)	89,035	136,881	71,528	208,409
Charitable activities	4	563,209	-	563,209	464,379	-	464,379
Investments	5	110	-	110	94	-	94
Other income	6	4,714	-	4,714	2,005	-	2,005
Total income		734,362	(77,294)	657,068	603,359	71,528	674,887
Expenditure on:							
Expenditure on raising funds	7	9,440	-	9,440	7,734	-	7,734
Charitable activities	8	605,443	32,653	638,096	433,852	146,292	580,144
Total expenditure		614,883	32,653	647,536	441,586	146,292	587,878
Net income/(expenditure) for the year/							
Net movement in funds		119,479	(109,947)	9,532	161,773	(74,764)	87,009
Fund balances at 1 July 2021		1,467,540	109,860	1,577,400	1,305,767	184,624	1,490,391
Fund balances at 30 June 2022		1,587,019	(87)	1,586,932	1,467,540	109,860	1,577,400

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 COLCHESTER

BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,591,683		1,599,344
Current assets					
Debtors	11	42,474		39,748	
Cash at bank and in hand		236,601		405,051	
			279,075		444,799
Creditors: amounts falling due within one year	12	(53,712)		(60,030)	
Net current assets			225,363		384,769
Total assets less current liabilities			1,817,046		1,984,113
Creditors: amounts falling due after more than one year	13		(230,114)		(406,713)
Net assets			1,586,932		1,577,400
Income funds					
Restricted funds	15		(87)		109,860
<u>Unrestricted funds</u>					
Designated funds	16	1,587,019		831,008	
General unrestricted funds		-		636,532	
			1,587,019		1,467,540
			1,586,932		1,577,400

EMMAUS COLCHESTER

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2022

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

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

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

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

22-03-23

The financial statements were approved by the Trustees on

DocuSigned by:
James McElhinney
.....076D731FF06F4AE.....
J McElhinney
Trustee

Company registration number 03805699

EMMAUS COLCHESTER**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	21		38,912		163,826
Investing activities					
Purchase of tangible fixed assets		(18,534)		(188,210)	
Investment income received		110		94	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(18,424)		(188,116)
Financing activities					
Repayment of borrowings		(182,458)		(23,892)	
Proceeds from new bank loans		-		219,000	
Interest paid		(6,480)		(15,213)	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			(188,938)		179,895
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(168,450)		155,605
			<u> </u>		<u> </u>
Cash and cash equivalents at beginning of year			405,051		249,446
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			236,601		405,051
			<u> </u>		<u> </u>

EMMAUS COLCHESTER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

General information

Emmaus Colchester is a private company limited by guarantee without share capital, incorporated in England and Wales, registration number 03805699. The address of the registered office is Emmaus Colchester, 175 Magdalen Street, Colchester, Essex, C01 2JX.

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

Charity information

Emmaus Colchester is a private company limited by guarantee incorporated in England and Wales. The registered office is .

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company'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 charitable company is a Public Benefit Entity as defined by FRS 102.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees' in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charitable company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

EMMAUS COLCHESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

1.2 Income

Income is recognised when the charitable company has entitlement to funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be reliably measured.

Gifts in kind donated for distribution are not recognised in the financial statements. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charitable company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Interest receivable

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

1.3 Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources. Overheads have been allocated on the basis of staff costs - inputs.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

1.4 Tangible fixed assets

Tangible fixed assets costing more than £500 are capitalised, including any incidental acquisition expenses. All fixed assets are initially recorded at cost.

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% straight line
Leasehold land and buildings	0.833% straight line
Fixtures and fittings	25% straight line
IT Equipment	20% straight line
Motor vehicles	25% straight line

EMMAUS COLCHESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

No depreciation is provided on the original purchase of freehold land and freehold buildings. This treatment is in the opinion of the trustees, necessary in order to give a true and fair view of the position of the charitable company. The charitable company's policy is to maintain the property in a continual state of sound repair and accordingly the Trustees are of the opinion that the life of the property is so long and residual value so high that any depreciation would be insignificant. Subsequent property works which are specific to the nature of the charity are depreciated over 50 years.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash and short term highly liquid investments with a maturity of three months or less from the date of acquisition or the opening of the deposit or similar account.

1.6 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities. The charitable company 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.

1.7 Taxation

Emmaus Colchester is a charity within the meaning of the Charities Acts 2011 and as such is a charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly, it is potentially exempt from taxation in respect of income or gains received within categories covered by Part 11, Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purpose.

1.8 Pension's costs

Emmaus Colchester operates a defined contribution pension scheme to which certain employees of the charitable company contribute. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the profit and loss account.

1.9 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2 Significant judgements and estimates

Preparation of the financial statements requires management to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on experiences and other factors that are considered to be relevant. Actual results may differ from these estimates. There were no key assumptions or areas of estimation uncertainty that the Trustees believe have a significant risk of causing a material adjustment to the carrying amount of assets or liabilities within the next financial year.

EMMAUS COLCHESTER**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2022****3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	114,329	(77,294)	37,035	45,989	-	45,989
Grant receivable	52,000	-	52,000	90,892	46,565	137,457
The National Lottery Community Fund	-	-	-	-	24,963	24,963
	<u>166,329</u>	<u>(77,294)</u>	<u>89,035</u>	<u>136,881</u>	<u>71,528</u>	<u>208,409</u>

EMMAUS COLCHESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

4 Charitable activities

	Shops and warehouse sales	House clearance and clearing income	Housing benefit received	Total 2022	Shops and warehouse sales	House clearance and clearing income	Housing benefit received	Total 2021
	2022	2022	2022		2021	2021	2021	
	£	£	£	£	£	£	£	£
Unrestricted funds	382,475	31,821	148,913	563,209	254,030	48,629	161,720	464,379

EMMAUS COLCHESTER

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

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	110	94
	<u>110</u>	<u>94</u>

6 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other income	4,714	2,005
	<u>4,714</u>	<u>2,005</u>

7 Expenditure on raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Trading costs</u>		
Shabby Chic costs and credit card charges	6,142	4,466
Printing, postage and stationery	3,298	3,268
	<u>9,440</u>	<u>7,734</u>
Trading costs	9,440	7,734
	<u>9,440</u>	<u>7,734</u>

EMMAUS COLCHESTER

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

8 Charitable activities

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Unrestricted 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Staff costs	266,895	9,690	276,585	111,135	132,974	244,109
Depreciation and impairment	26,195	-	26,195	21,959	-	21,959
Warehouse Expenditure	33,257	-	33,257	26,811	-	26,811
Community House	58,279	22,963	81,242	36,419	3,207	39,626
Crouch Street	36,264	-	36,264	40,461	-	40,461
Annex 4	-	-	-	4,527	-	4,527
Works Expenditure	15,306	-	15,306	12,306	-	12,306
Emporium Shop	-	-	-	6,317	-	6,317
Home Shop	19,008	-	19,008	19,698	4,782	24,480
Motor Expenses	16,069	-	16,069	12,912	-	12,912
Office expenses, repairs and maintenance	1,786	-	1,786	6,118	-	6,118
Marketing	703	-	703	5,397	-	5,397
Telephone	18,915	-	18,915	18,360	-	18,360
Accountancy	3,900	-	3,900	4,545	-	4,545
Solidarity Payments	11,263	-	11,263	11,374	-	11,374
Other charitable expenditure	97,603	-	97,603	95,513	5,329	100,842
	<u>605,443</u>	<u>32,653</u>	<u>638,096</u>	<u>433,852</u>	<u>146,292</u>	<u>580,144</u>
	<u>605,443</u>	<u>32,653</u>	<u>638,096</u>	<u>433,852</u>	<u>146,292</u>	<u>580,144</u>
Analysis by fund						
Unrestricted funds	605,443	-	605,443	433,852	-	433,852
Restricted funds	-	32,653	32,653	-	146,292	146,292
	<u>605,443</u>	<u>32,653</u>	<u>638,096</u>	<u>433,852</u>	<u>146,292</u>	<u>580,144</u>

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Number of administrative staff	1	1
Charitable activities	12	9
Total	<u>13</u>	<u>10</u>

EMMAUS COLCHESTER**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 30 JUNE 2022

9 Employees	(Continued)	
Employment costs	2022	2021
	£	£
Wages and salaries	255,035	224,545
Social security costs	16,371	15,186
Other pension costs	5,179	4,378
	<u>276,585</u>	<u>244,109</u>

No employee received remuneration of more than £60,000 during the year (2021: £Nil).

No Trustee received any remuneration or benefits in kind. During the year £Nil was reimbursed to trustees for out of pocket expenses (2021: £Nil).

The charitable company considers its key management personnel comprises the Trustees only. The aggregate remuneration of key management personnel was £Nil (2021: £Nil).

EMMAUS COLCHESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

10 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	IT Equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 July 2021	741,171	927,556	34,590	24,413	59,628	1,787,358
Additions	8,694	-	9,844	-	-	18,538
At 30 June 2022	749,865	927,556	44,434	24,413	59,628	1,805,896
Depreciation and impairment						
At 1 July 2021	2,313	96,547	5,355	24,413	43,011	171,639
Depreciation charged in the year	3,557	7,727	21,733	-	9,557	42,574
At 30 June 2022	5,870	104,274	27,088	24,413	52,568	214,213
Carrying amount						
At 30 June 2022	743,995	823,282	17,346	-	7,060	1,591,683
At 30 June 2021	738,858	831,008	12,861	-	16,617	1,599,344

EMMAUS COLCHESTER

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

10 Tangible fixed assets (Continued)

A mortgage to secure the charitable company's investment in the Community building is held over leasehold land on 175 Magdalen Street, Colchester in the name of Paddington Churches Housing Association Limited.

11 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Other debtors	17,985	9,379
Prepayments and accrued income	24,489	30,369
	<u>42,474</u>	<u>39,748</u>

12 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	14	6,858	6,360
Mortgage		-	12,837
Trade creditors		3,028	599
Other creditors		43,826	40,234
		<u>53,712</u>	<u>60,030</u>

The bank loan is secured by a legal charge over the freehold property and the mortgage was repaid in the year.

13 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans	14	230,114	237,092
Mortgage		-	169,621
		<u>230,114</u>	<u>406,713</u>

The bank loan is secured by a legal charge over the freehold property.

Included within creditors falling due after more than one year is an amount of £230,114 (2021: £406,713) respect of a bank borrowings which falls due for repayment after more than five years from the balance sheet date.

The bank loan incurs interest of 3.77% which has increased to 4.42% on March 2022. The year of maturity currently forecasted is 2045.

The mortgage was repaid within the year.

EMMAUS COLCHESTER**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 30 JUNE 2022**14 Loans and overdrafts**

	2022	2021
	£	£
Bank loans	236,972	243,452
Mortgage	-	182,458
	<u>236,972</u>	<u>425,910</u>
Payable within one year	6,858	19,197
Payable after one year	<u>230,114</u>	<u>406,713</u>

EMMAUS COLCHESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

15 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 30 June 2022
	Balance at 1 July 2020 £	Incoming resources £	Resources expended £	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Transfers £	
Emmaus UK CTF	861	2,407	(3,207)	61	22,924	(22,963)	-	22
Essex Community Foundation Income	5,000	-	(5,000)	-	-	-	-	-
E UK AF19-2 Grant (Building project 99 HS)	100,000	-	-	100,000	-	-	(100,000)	-
The National Lottery Community Fund	78,763	24,963	(103,726)	-	-	-	-	-
Postcode Lottery for Drivers salary	-	19,158	(9,577)	9,581	-	(9,690)	-	(109)
Freemason Grant Income	-	20,000	(20,000)	-	-	-	-	-
FSJ Grant for 99 HS Furniture	-	5,000	(4,782)	218	-	-	(218)	-
	<u>184,624</u>	<u>71,528</u>	<u>(146,292)</u>	<u>294,484</u>	<u>22,924</u>	<u>(32,653)</u>	<u>(100,218)</u>	<u>(87)</u>

Emmaus UK CTF - For Companion personal development.

Essex Community Foundation Income - To fund staff salaries.

E UK AF19-5 Grant (Building project 99 HS) - Contribution to the creation of additional companion rooms.

The National Lottery Community Fund - To support core work.

PostCode Lottery - From the PostCode Neighbourhood Trust to fund a driver salary.

Freemasons Grant Income - From the Freemason's Covid-19 Community Fund to fund a support worker.

FSJ Grant for 99 HS Furniture - Grant from Fowler Smith and Joes Trust for the furnishing of our new accommodation.

EMMAUS COLCHESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

16 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:

	Movement in funds				Movement in funds				Balance at 30 June 2022
	Balance at 1 July 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Transfers £	
Community House Capital Fund	838,735	-	-	(7,727)	831,008	-	-	(7,726)	823,282
Maintenance Sinking Fund	74,928	-	-	(74,928)	-	-	-	-	-
General Funds	392,104	603,359	(441,586)	82,655	636,532	734,362	(607,157)	-	763,737
	<u>1,305,767</u>	<u>603,359</u>	<u>(441,586)</u>	<u>-</u>	<u>1,467,540</u>	<u>734,362</u>	<u>(607,157)</u>	<u>(7,726)</u>	<u>1,587,019</u>

The designated funds represent the net book value of the Community House leasehold property, totalling £823,282 (2021: £831,008).

EMMAUS COLCHESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

17 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 June 2022 are represented by:						
Tangible assets	1,591,683	-	1,591,683	1,599,344	-	1,599,344
Current assets/(liabilities)	225,450	(87)	225,363	274,909	109,860	384,769
Long term liabilities	(230,114)	-	(230,114)	(406,713)	-	(406,713)
	<u>1,587,019</u>	<u>(87)</u>	<u>1,586,932</u>	<u>1,467,540</u>	<u>109,860</u>	<u>1,577,400</u>

18 Company limited by guarantee

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page one. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

EMMAUS COLCHESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

19 Operating lease commitments

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

	2022 £	2021 £
Within one year	14,212	40,046
Between two and five years	-	30,250
	<u>14,212</u>	<u>70,296</u>

20 Related party transactions

The related parties of Emmaus Colchester are the Trustees of the charitable company. The charitable company is controlled by the Trustees.

There were no related party transactions identified which should be disclosed under the Financial Reporting Standard 102.

21 Cash generated from operations

	2022 £	2021 £
Surplus for the year	9,532	87,009
Adjustments for:		
Investment income recognised in statement of financial activities	(110)	(94)
Depreciation and impairment of tangible fixed assets	26,195	21,959
Movements in working capital:		
Interest charge		15,213
(Increase)/decrease in debtors	(2,726)	149,400
Increase/(decrease) in creditors	6,021	(109,661)
Cash generated from operations	<u>38,912</u>	<u>163,826</u>

22 Analysis of changes in net (debt)/funds

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	405,051	(168,450)	236,601
Loans falling due within one year	(19,197)	12,339	(6,858)
Loans falling due after more than one year	(406,713)	176,599	(230,114)
	<u>(20,859)</u>	<u>20,488</u>	<u>(371)</u>