

Charity Registration No. 1171570

Company Registration No. 10598054 (England and Wales)

EMMAUS STAFFORDSHIRE

**ANNUAL REPORT
AND UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

EMMAUS STAFFORDSHIRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr G H Almond Mr J B Farrar Mr C W Harris Mrs C L Ashworth Mr T P Lucas Mr R L Speare Mr T M Stephenson
Charity number	1171570
Company number	10598054
Registered office	Unit 9 Hanley Business Park Cooper Street Stoke on Trent ST1 4DW
Independent examiner	David Kay FCA Barlow Andrews LLP Carlyle House Bolton
Bankers	The Co-operative Bank Plc 1 Town Road Hanley

EMMAUS STAFFORDSHIRE

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EMMAUS STAFFORDSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2020

The trustees present their report and financial statements for the year ended 30 June 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, 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 principal objective of the charity is the advancement of alleviation and relief of poverty, hardship and distress to those in need.

Emmaus exists to provide homeless people (known in Emmaus as "Companions") with work, accommodation and the chance to regain their self-respect and to pursue their lives in the community or in the outside world. Emmaus Staffordshire is currently working towards this objective.

The trustees are satisfied that in carrying out its activities Emmaus Staffordshire is providing a clear public benefit and is meeting its objectives.

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

Achievements and performance

The first 9 months of the year saw continued efforts to improve the income generating capacity of Emmaus Furniture Mine to ensure our ongoing sustainability. The diversification of product ranges away from purely furniture was embedded and CharitySuite vans scheduling software was introduced late in 2019.

We were pleased to achieve our aim of being a Real Living Wage employer in January 2020.

Further efforts were made to obtain a property suitable for establishing a community with offers made on two properties through the year, but unfortunately neither was successful.

Sadly there was a break in at Emmaus Furniture Mine in August 2019 which resulted in over £2k of damage, but we were delighted that Burslem-based Washington and Riley undertook the majority of repairs for free. The incident revealed deficiencies in our security systems that were subsequently addressed.

Emmaus Furniture Mine continues to provide furniture for local people in need on referral through the council. At the beginning of the lockdown period in March/April we furnished a number of flats for formerly homeless people as part of the national effort to provide housing for everyone during the pandemic, and supported the new Macari Hostel by providing beds and mattresses. Once again we ran workshops for over 150 local high school students.

Emmaus North Staffordshire has also supported scores of volunteers throughout the year in admin, customer service, warehouse and delivery/collection roles with several going on to paid employment.

The last quarter of the year from March to June saw income severely affected by the national lockdown. Hundreds of collections and deliveries were cancelled, almost all sales stopped, and monthly income plunged by 80%. However, we were able to make use of the government furlough scheme to pay staff, and Covid-related grants to cover fixed costs, which helped maintain the financial viability of the charity.

Financial review

The results for the year are shown in the Statement of Financial Activities on page 5 of the accounts. There was a net increase of £105,462 in total funds, with restricted funds increasing by £81,597 and unrestricted funds by £23,865.

EMMAUS STAFFORDSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

The reserves policy is under regular review as the activities of the charity develop and the scale of operations grows. The aim is to build up sufficient free reserves to cover 3 to 6 months of operating costs, in the unlikely event that our income streams should cease. At the period end the charity had free reserves of £69,818, falling around £10,000 short of the lower end of its target.

Principal funding sources

Whilst the majority of our income comes from sales of donated goods plus the 'bulky waste' service income and furniture referrals income, we have had some external grants during the year. These were mainly associated with the COVID-19 lockdown survival and recovery:

- £25k Business Rates grant via Stoke-on-Trent City Council in April
- £4,500 Staffs Community Foundation to support the referrals customers
- £88k grant from the Lottery Community Fund in June 2020 to cover our core costs, to support the vans team, and to fund a new Volunteer Development Coordinator (appointed July 2020)

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish. The trustees, having regard to liquidity requirements of the charity and to the reserves policy, have operated a policy of keeping available funds in an interest-bearing deposit account with the aim to achieve a rate of deposit interest which at least matches or exceeds inflation.

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

In the next few months a key focus will be to maintain the operation of Emmaus Furniture Mine through the pandemic and grow the profitability of the business further as restrictions are lifted. Although much time and effort has been expended dealing with the challenges and constant change brought about by the pandemic, we recognise that it is vital for us to resume our efforts to establish an Emmaus community in North Staffordshire as a matter of urgency. In the meantime we also need to maximise the social action which is possible from our current site.

Longer-term planning is dependent on the location and inherent facilities of our permanent base when we succeed in finding and acquiring it. A guiding principle in our choice of property and its financing remains our desire for the community to become financially independent. Our aim is to secure not just a place for a successful business but also to create a social asset that can add value to the surrounding area and its people as well as being a place for formerly homeless folk to live, work and rebuild their lives.

Structure, governance and management

Emmaus Staffordshire is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association.

As a registered charity the company is non-profit-making and its directors and trustees are volunteers.

The company was incorporated on 2 February 2017, without share capital and it is limited by guarantee, to a maximum £1 each, payable by its members. The Memorandum and Articles of Association prohibit distribution of any surpluses other than to Emmaus UK.

EMMAUS STAFFORDSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 JUNE 2020*

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:

Mr G H Almond	
Mr J B Farrar	
Mr C W Harris	(Appointed 20 December 2019)
Mrs C L Ashworth	
Mr T P Lucas	
Mr R L Speare	
Mr T M Stephenson	
Mrs J Blunsdon	(Resigned 20 December 2019)

The trustees are appointed by the members of the organisation at the Annual General Meeting. Directors/trustees have the power under the governing documents to co-opt individuals who support the objects of the organisation to fill vacancies on the Board of Management.

As part of their induction, new trustees are provided with information about the charity, the management structure, its history and working practices. In addition, they are also provided with copies of the Memorandum and Articles of Association plus information from the Charity Commission and Companies House regarding the duties and responsibilities of directors and trustees.

Management structure

This is a local charity which is a member of Emmaus International, a worldwide organisation with over 350 communities, 29 of which are in the UK.

Day to day management responsibility rests with the management team, which reports to the Board of Trustees. The Board of Trustees meets on a regular basis.

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

Mr R L Speare

Chairman

Dated: 30 November 2020

EMMAUS STAFFORDSHIRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2020

The trustees, who are also the directors of Emmaus Staffordshire 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 charity 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EMMAUS STAFFORDSHIRE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EMMAUS STAFFORDSHIRE

I report to the trustees on my examination of the financial statements of Emmaus Staffordshire (the charity) for the year ended 30 June 2020.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Barlow Andrews LLP

David Kay FCA
Barlow Andrews LLP
Chartered Accountants
Carlyle House, 78 Chorley New Road, Bolton
Dated: 30 November 2020

EMMAUS STAFFORDSHIRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Unrestricted funds 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Income from:							
Donations, grants and legacies	3	50,009	119,796	169,805	3,347	25,787	29,134
Other trading activities		264,780	-	264,780	325,072	-	325,072
Investments		351	-	351	100	-	100
Total income		315,140	119,796	434,936	328,519	25,787	354,306
Expenditure on:							
Raising funds	4	180,676	37,017	217,693	224,196	18,480	242,676
Charitable activities	5	110,615	1,166	111,781	106,472	-	106,472
Total resources expended		291,291	38,183	329,474	330,668	18,480	349,148
Net incoming resources before transfers		23,849	81,613	105,462	(2,149)	7,307	5,158
Gross transfers between funds		16	(16)	-	-	-	-
Net income for the year/ Net movement in funds		23,865	81,597	105,462	(2,149)	7,307	5,158
Fund balances at 1 July 2019		50,385	54,603	104,988	52,535	47,296	99,831
Fund balances at 30 June 2020		74,250	136,200	210,450	50,386	54,603	104,989

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 STAFFORDSHIRE

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		23,290		29,061
Investments	12		2		2
			<u>23,292</u>		<u>29,063</u>
Current assets					
Stocks	13	9,317		5,691	
Debtors	14	35,142		38,557	
Cash at bank and in hand		213,511		106,959	
		<u>257,970</u>		<u>151,207</u>	
Creditors: amounts falling due within one year	15	(20,412)		(18,581)	
Net current assets			<u>237,558</u>		<u>132,626</u>
Total assets less current liabilities			<u>260,850</u>		<u>161,689</u>
Creditors: amounts falling due after more than one year	16		(50,400)		(56,700)
Net assets			<u><u>210,450</u></u>		<u><u>104,989</u></u>
Income funds					
Restricted funds	20		136,200		54,603
Unrestricted funds			74,250		50,386
			<u><u>210,450</u></u>		<u><u>104,989</u></u>

EMMAUS STAFFORDSHIRE

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2020

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 2020.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

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

The financial statements were approved by the Trustees on 30 November 2020

Mr R L Speare
Trustee

Company Registration No. 10598054

EMMAUS STAFFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Charity information

Emmaus Staffordshire is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 9 Hanley Business Park, Cooper Street, Stoke on Trent, ST1 4DW.

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 charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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.

It would be impractical to try to value donated items when they are received, in order to recognise the value of the donation as both income from donations and a matching cost of goods for resale. Therefore, donated goods are only accounted for when they are sold, the sales income being recognised at that point.

EMMAUS STAFFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds comprise the costs of trading and similar activities and the associated support costs of those activities. Charitable expenditure comprises those costs directly incurred by the charity in the delivery to beneficiaries of its core activities and services. The support costs associated with delivery of these activities and services is also included. All costs are allocated between the expenditure categories on bases designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, whilst others are apportioned on an appropriate basis.

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:

Computers	20% Straight Line
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 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 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).

1.9 Stocks

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

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

1.10 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.

EMMAUS STAFFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.11 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

1.12 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.

1.13 Retirement benefits

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

2 Prior year adjustment

Funding of £5,037 which in the year ended 30 June 2019 had been accounted for as unrestricted designated funds has been reassessed and reclassified as restricted fund income in that year. Consequently, the net movement on restricted funds in 2018/19 has been increased by £5,037 and the net movement on unrestricted funds for that year reduced by the same amount. There is no impact on the net movement on total funds. There is no longer any designated fund balance in 2018/19. Further, the carried forward balance on restricted funds at 30 June 2019 is increased by £5,037 and on unrestricted funds reduced by that amount. There is no impact on the balance of total funds at that date.

EMMAUS STAFFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

3 Donations, grants and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and grants	32,724	119,796	152,520	3,347	25,787	29,134
Coronavirus job retention scheme	17,285	-	17,285	-	-	-
	<u>50,009</u>	<u>119,796</u>	<u>169,805</u>	<u>3,347</u>	<u>25,787</u>	<u>29,134</u>
Donations and grants analysis						
Emmaus UK	4,780	-	4,780	-	9,750	9,750
Staffordshire University	-	-	-	-	1,000	1,000
The Big Lottery Awards For All	-	-	-	-	10,000	10,000
Emmaus Mossley	-	-	-	-	5,000	5,000
Stoke City Council Covid Support Grant	25,000	-	25,000	-	-	-
Emmaus St Albans	-	3,000	3,000	-	-	-
Emmaus Preston	-	10,000	10,000	-	-	-
Staffordshire Community Foundation	-	4,500	4,500	-	-	-
National Lottery Community Fund	-	102,296	102,296	-	-	-
Other	2,944	-	2,944	3,347	37	3,384
	<u>32,724</u>	<u>119,796</u>	<u>152,520</u>	<u>3,347</u>	<u>25,787</u>	<u>29,134</u>

EMMAUS STAFFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

4 Raising funds

	2020 £	2019 £
Goods for resale	53,657	60,968
Bank Charges	1,863	2,036
Loan Interest	419	537
Business and Office Supplies	417	1,059
Advertising	9,699	8,469
Rent and rates	28,905	26,034
Employment costs	72,135	77,846
Depreciation	5,044	6,246
Utilities and waste	5,111	6,285
Insurance	4,054	3,895
Motor and travel expenses	8,984	22,060
Maintenance, repairs and renewals	7,369	5,018
Telephone	1,512	1,739
Computer running costs	801	799
Accountancy, bookkeeping and payroll	4,049	5,067
Miscellaneous	3,441	3,662
Legal and professional	10,233	10,956
	<u>217,693</u>	<u>242,676</u>
Analysis by fund		
Unrestricted funds	180,676	224,196
Restricted funds	37,017	18,480
	<u>217,693</u>	<u>242,676</u>

EMMAUS STAFFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

5 Charitable activities

	2020 £	2019 £
Staff costs	65,830	54,542
Depreciation and impairment	2,522	3,123
Bank charges	932	1,018
Maintenance, repairs and renewals	3,685	2,509
Insurance	2,027	1,947
Computer running costs	401	400
Rent and rates	14,453	13,017
Utilities and waste	2,556	3,143
Motor and travel expenses	4,492	11,030
Miscellaneous	1,719	1,830
Telephone	756	870
Business and office supplies	208	529
Loan interest	209	269
Marketing and publicity	4,849	4,235
Accountancy, bookkeeping and payroll	2,025	2,533
Legal and professional	5,117	5,477
	<u>111,781</u>	<u>106,472</u>
Analysis by fund		
Unrestricted funds	110,615	106,472
Restricted funds	1,166	-
	<u>111,781</u>	<u>106,472</u>

6 Governance costs

Expenditure in the preceding two notes includes £3,630 (2019 £3,630) relating to the preparation and examination of the annual accounts.

7 Trustees

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

8 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

EMMAUS STAFFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	7	8
Employment costs	2020 £	2019 £
Wages and salaries	127,095	130,006
Social security costs	8,268	625
Other pension costs	2,602	1,757
	147,965	142,388

No employee received remuneration amounting to more than £60,000 in the year.

The charity considers three of its paid employees to be key management personnel. Its board of trustees is also a key part of the management of the charity. None of the trustees (or any persons connected with them) received any remuneration or were reimbursed for any expenses during the year. The total costs of employment, including national insurance and pension costs, of key management personnel was £79,855.

10 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £5,361 (2019 - £5,874).

EMMAUS STAFFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

11 Tangible fixed assets

	Computers £	Vehicles £	Total £
Cost			
At 1 July 2019	5,627	33,529	39,156
Additions	1,796	-	1,796
	<hr/>	<hr/>	<hr/>
At 30 June 2020	7,423	33,529	40,952
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 July 2019	1,714	8,382	10,096
Depreciation charged in the year	1,279	6,287	7,566
	<hr/>	<hr/>	<hr/>
At 30 June 2020	2,993	14,669	17,662
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 30 June 2020	4,430	18,860	23,290
	<hr/>	<hr/>	<hr/>
At 30 June 2019	3,913	25,147	29,060
	<hr/>	<hr/>	<hr/>

12 Fixed asset investments

	£
Cost or valuation	
At 1 July 2019 & 30 June 2020	2
	<hr/>
Carrying amount	
At 30 June 2020	2
	<hr/>
At 30 June 2019	2
	<hr/>

The investment represents 100% of the ordinary share capital of Ecostore (Staffordshire) Ltd, a non-active company whose registered office address is Unit 9, Hanley Business Park, Cooper Street, Stoke on Trent ST1 4DW. The company prepares its own individual company accounts which are not consolidated into the accounts of Emmaus Staffordshire.

13 Stocks

	2020 £	2019 £
Finished goods and goods for resale	9,317	5,691
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EMMAUS STAFFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	11,220	18,999
Other debtors	6,934	3,402
Prepayments and accrued income	16,988	16,156
	<u>35,142</u>	<u>38,557</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Borrowings	6,300	6,300
Other taxation and social security	2,310	953
Trade creditors	8,375	7,426
Other creditors	2	477
Accruals and deferred income	3,425	3,425
	<u>20,412</u>	<u>18,581</u>

16 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Borrowings	50,400	56,700
	<u>50,400</u>	<u>56,700</u>

17 Loans and overdrafts

	2020 £	2019 £
Loan from Emmaus UK		
Payable within one year	6,300	6,300
Payable after one year	50,400	56,700
	<u>56,700</u>	<u>63,000</u>

The loan is unsecured and carries interest at 1% APR for the lifetime of the loan. Capital repayments began in the current year at £6,300 per annum over 10 years.

EMMAUS STAFFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

18 Finance lease commitments

Future minimum lease payments due under finance leases:

	2020 £	2019 £
Within one year	43,312	43,312
Within two and five years	108,282	151,954
	<u>151,594</u>	<u>195,266</u>

19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances are represented by:						
Tangible assets	4,430	18,860	23,290	3,914	25,147	29,061
Investments	2	-	2	2	-	2
Net current assets	120,218	117,340	237,558	103,170	29,456	132,626
Long term liabilities	(50,400)	-	(50,400)	(56,700)	-	(56,700)
	<u>74,250</u>	<u>136,200</u>	<u>210,450</u>	<u>50,386</u>	<u>54,603</u>	<u>104,989</u>

EMMAUS STAFFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

20 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 2020
	Balance at 1 July 2018	Incoming resources	Resources expended	Balance at 1 July 2019	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£	£	£	£
Emmaus UK	-	9,750	(6,346)	3,404	-	(3,404)	-	-
David and Ruth Lewis Charitable Trust	47,296	-	(8,382)	38,914	-	(6,287)	-	32,627
Staffordshire University	-	1,000	(1,000)	-	-	-	-	-
Big Lottery Fund Awards For All	-	10,000	(2,752)	-	-	(7,248)	-	-
Property Fund	-	5,037	-	5,037	27,168	-	-	32,205
National Lottery Community Fund	-	-	-	-	88,128	(16,760)	-	71,368
Staffordshire Community Foundation	-	-	-	-	4,500	(4,484)	(16)	-
	<u>47,296</u>	<u>25,787</u>	<u>(18,480)</u>	<u>54,603</u>	<u>119,796</u>	<u>(38,183)</u>	<u>(16)</u>	<u>136,200</u>

The donation received from Emmaus UK was towards the wage costs of a van driver.

The David and Ruth Lewis Charitable Trust funding is a grant issued towards the purchase of three vans. The vehicles in question are depreciated annually and the fund balance is reduced by an amount equivalent to the year's charge.

The Big Lottery Fund Awards for All money was a donation to match against the apprentice's salary and to contribute towards volunteer costs.

The Staffordshire Community Foundation money was a grant towards the cost of mattresses and fuel costs.

The National Lottery Community Fund money is to be used to deliver activities specifically aimed to support communities through the COVID-19 crisis and will be spent over a 12 month period.

The Property Fund is set up to raise money towards the purchase of a property suitable for a new Emmaus Community. It includes donations from Emmaus organisations in St Albans, Preston and Mossley, along with funding from The National Lottery Community Fund.