

Company number: 03422341  
Charity Number: 1064470

# Emmaus UK

Report and financial statements  
For the year ended 30 June 2021

## Emmaus UK

### Contents

#### For the year ended 30 June 2021

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Reference and administrative information .....	1
Trustees' annual report .....	2
Independent auditor's report .....	27
Statement of financial activities (incorporating an income and expenditure account) .....	31
Balance sheet .....	32
Statement of cash flows .....	33
Notes to the financial statements .....	34

## Emmaus UK

### Reference and administrative information

#### For the year ended 30 June 2021

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**Company number** 03422341  
**Country of incorporation** United Kingdom

**Charity number** 1064470  
**Country of registration** England & Wales

**Registered office and operational address** Emmaus UK  
Unit 302 Scott House  
The Custard Factory  
Gibb Street  
Birmingham  
B9 4AA

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Susan Brooksbank-Taylor	Chair	
Amanda Stekly	Vice Chair	
Katrina Mattock	Vice Chair	
Richard Paterson	Treasurer	
Hazel Warwick		
John Clark		Resigned 24 September 2021
Keith Jeffrey		Reappointed 30 July 2020
Sara Creech		Appointed 07 October 2020
Andrea Clemons		Appointed 07 October 2020, resigned 24 September 2021
Geraldine Tsakirakis		Reappointed 09 December 2020
Kelly Finnis		Reappointed 09 December 2020
Tony Ferrier		Reappointed 09 December 2020
Lucia Smith		Appointed 09 December 2020
John Harrison		Appointed 09 December 2020
Pauline Curl		Resigned 21 September 2020
David Cooper		Resigned 09 December 2020

#### Key Management Personnel

Simon Grainge	Chief Executive	Resigned 28 May 2021
Charlotte Talbott	Chief Executive	Appointed 6 September 2021
Clare Hunter	Head of Communications and Fundraising	Maternity leave 30 March 2021
Helen Brandley	Acting Co-Head of Communications and Fundraising	
Sarah Butlin	Acting Co-Head of Communications and Fundraising	
Duncan Gall	Head of Federation Support	
Linda Drury	Head of Business Development	
Sanja Kalik	Head of Finance, Company Secretary	

## Emmaus UK

### Reference and administrative information

For the year ended 30 June 2021

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<b>Bankers</b>	CAF Bank Ltd Kings Hill West Malling Kent ME19 4TA	United Trust Bank One Ropemaker Street London EC2Y 9AW
	National Westminster Bank PLC Cambridge Market St Branch 23 Market Street Cambridge CB2 3PA	Hampshire Trust Bank 55 Bishopsgate London EC2N 3AS
	Cambridge & Counties Charnwood Court 5b New Walk Leicester LE1 6TE	Aldermore 1 <sup>st</sup> Floor, Block B, Western House Lynch Wood Peterborough PE2 6FZ
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL	

Chair's introduction

This has been the full first year that I have had the pleasure of being chair of Emmaus UK. It has been a tumultuous year for the UK and the world, and through these continued unforeseen challenges, Emmaus UK continues to support federation members and try to understand and deal with the impact of the coronavirus pandemic and subsequent lockdowns.

We have all had to change our priorities overnight and have experienced the need to adapt from our usual day-to-day operations to respond to the urgency of the COVID-19 crisis. Like many of us, I have been humbled and taken inspiration from the way the Emmaus UK team stepped up to support each other as well as our communities and groups. Our companions, and the survival of our communities and groups, remain our priority. Federation members, their employees, trustees, supporters and partners came together to ensure we stayed safe, were supported and viable. We demonstrated our long history and ethos of resilience and dignity, even in times of significant challenge.

At the time the pandemic hit it was uncertain and often scary, but we stepped up to respond to the extraordinary times. Coronavirus posed a life-threatening situation to those living on the streets or in shelters and the Government was forced to change its homelessness policy, introducing the *Everyone In* campaign. Now, policy has reverted and we are all now considering the longer term impact of the pandemic. It will be a long recovery creating long-term challenges such as the impact on education, rising demand at food banks, increased evictions, the mental health of the nation, adjusting to life outside the EU, the scale of the challenges on public finances and the ongoing knocks to an economy rocked by lockdowns. This will be a significant time for the Emmaus movement in the UK as we try to steer a way through these issues, and consider our role in helping more people.

Emmaus supports more than 850 companions across the UK with a home for as long as it is needed, meaningful work in a social enterprise, training and support in a community setting. Throughout the pandemic, our number one priority has been helping our federation members to keep our community homes COVID-free, protecting the companions we support.

Despite the challenges they faced, Emmaus companions and staff have worked hard to do what they can to support their local community during the pandemic; using their vans to distribute food to other charities and food banks, supporting local schools with food poverty and IT equipment, donating furniture and essentials to people being rehoused during the pandemic who had little or no belongings, donating fabric to hospitals to make scrubs or making much needed PPE.

The Companion Training and Wellbeing Fund (CTF) supported 213 companions to attend work and personal training courses, take part in sports and hobbies, complete driving lessons and tests, and attend activities to improve wellbeing. An additional 50 companions were supported through nine group CTF applications: including walking clubs, running clubs, model building clubs, fishing membership, music room, and computer rooms at their communities.

## Emmaus UK

### Trustees' annual report

#### For the year ended 30 June 2021

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Emmaus UK staff have focussed their efforts on helping communities and groups to thrive. We have adapted well to new ways of working, only visiting the office when essential. Peer groups and staff meetings have all been held online and more frequently in order to ensure everyone is kept up to date with developments. A new online sales peer group has also been set up, with the support of the Rayne Foundation, to ensure communities and groups can continue to trade when their shops are closed.

Emmaus UK supporters have been extremely generous with their donations, and it has been an excellent year for fundraising. We have been overwhelmed by the generosity shown and we are grateful for this ongoing and much needed support.

Sadly, we also lost one of Emmaus's long-standing communities, Emmaus Medway, which closed this year. This was due to their lease ending and being unable to find financially viable alternative premises in the area. All companions were supported to move on to other Emmaus communities or alternative accommodation in the local area.

Simon Grainge our Chief Executive has chosen to depart Emmaus after many years of being part of the Emmaus federation. I would like to take this opportunity to thank him for his hard work and dedication over the years.

This year marks the anniversary of 30 years of Emmaus in the UK, and although our celebrations have been somewhat muted due to the pandemic, we have begun to pull together 30 extraordinary stories from around the federation which focus on where Emmaus has really made a difference at a critical point in people's lives. Reading the stories makes me very proud to be part of the movement here in the UK, and I look forward to sharing them with you soon.

The last twelve months has taught us the importance of being resilient, and while we have overcome many challenges, we fear there may be more to come. For this reason, we continue to set aside a £500k emergency fund for members to access should they need it. Whatever happens in the future we need to make sure we are in a strong position to manage. With the continued support of our donors and supporters, we're confident that we will be able to help even more people to find a route out of homelessness.

Our new Chief Executive, Charlotte Talbott, started in September. Charlotte was Deputy Chief Executive of The Connection at St- Martin's-in-the-Fields in London. Charlotte brings with her a wealth of experience working in the charity sector. Her career has been focussed on drug and alcohol recovery, homelessness and criminal justice.

When Charlotte started and in light of the changing environment post-pandemic, we are taking time to thoroughly examine what we do as a federation; ensuring we continue to meet the needs of those we support in the most effective way and making exciting plans for the future. Using the headings of our new strategic plan, our priorities will be to help more people, work smarter and shout louder.

The future remains precarious, and the challenges should not be underestimated. The country faces the most significant strategic issues that it has been presented with in several generations and tackling these will take years of work. We don't yet know how this will impact Emmaus and how we support, grow and work together in the future. Emmaus UK will continue to strive to support communities and groups so they become more resilient, self-sustainable and environmentally friendly. Emmaus is used to finding ways to support people with a home and reason to get out of bed, making a difference to lives and tackling injustice. We are a strong movement based on core values and principles and along with our committed supporters we can achieve more and help more people

Thank you for your continued support. I look forward to working with our communities and groups, companions and supporters in building back better, with strong recovery plans and finding more opportunities in the year ahead.

Susan Brooksbank-Taylor  
Chair of Trustees

## Emmaus UK

### Trustees' annual report

#### For the year ended 30 June 2021

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The trustees, who are also directors of Emmaus UK (The Charity) for the purposes of the Companies Act, submit their annual report and financial statements of the Charity for the year ended 30 June 2021.

The Trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the Charity's governing document, the requirements of the directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and activities

### Purposes and aims

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

### About Emmaus

Emmaus is a homelessness charity with a difference. We do not just give people a bed for the night; we offer a home, meaningful work and a sense of belonging.

For many people who have experienced homelessness, losing their self-esteem can be the most damaging part of their experience. Being on your own, with no support around you can be soul destroying, leaving you feeling worthless.

Emmaus is different because it provides a home for as long as someone needs it, in an Emmaus community. This gives companions, as we call our residents, the opportunity to take stock of their lives, deal with any issues they might have, and often re-establish relationships with loved ones.

### About Emmaus UK – Aims and activities

Emmaus UK is the federal body for Emmaus in the UK. Each member of Emmaus UK - either a community or group - is an independent charity, governed by a local board of trustees.

Ultimately each Emmaus community aims to become self-funding through social enterprise. Emmaus UK supports its member organisations as they work towards this goal, sharing best practice, coordinating federation-wide meetings and providing direct capacity building and support in areas such as

## Emmaus UK

### Trustees' annual report

#### For the year ended 30 June 2021

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governance, business development and companion support. The charity also offers fundraising and publicity support and provides grants and loans to enable further development of existing Emmaus communities and groups, and the expansion of Emmaus in the UK.

Emmaus UK offers a range of different funds to support communities and groups:

- Companion Room Expansion Grant Fund – used to increase the number of companion rooms Emmaus communities are able to offer in the UK
- Capacity Development Grant Fund – used to build the capacity of communities and groups and strengthen them
- Community and Enterprise Investment Loan Fund – offers loans from Emmaus UK and external funders to help communities grow and develop
- Companion Training Fund – provides grants to companions for training, personal development or the equipment needed to take part in these opportunities. Individual or group funds are available
- COVID Emergency Fund – a ringfenced fund of £500,000 to support communities facing significant financial difficulties as a result of COVID – 19. The Government job retention scheme, support with non-domestic rates and trust and foundation income helped Emmaus communities. The Board will review the COVID Emergency fund in light with ending the furlough scheme and the impact of the pandemic during the winter 2021.
- Building Alternative Social Enterprises (BASE) – grants to pilot alternative social enterprises that can then, if successful be replicated throughout the federation

Emmaus UK is also responsible for co-ordinating and measuring development towards achieving the goals set out in the federation strategic plan and is formally recognised as the national organisation representing Emmaus International in the UK.

In 2019-2020 a new strategic plan for 2020-2025 was developed in consultation with the federation. The plan was due to be launched at the postponed Annual Assembly in March 2020. However due to the pandemic this was delayed. Since then, the plan has been revisited to ensure it remains relevant for Emmaus movement despite the changing external environment. On 24<sup>th</sup> September 2021 The Board approved the new programme Engage, Review and Transform to address four issues identified: the pandemic, the appointment of a new Chief Executive at EUK, the work of the Task and Finish Group on Universal Credit and the Strategic Plan.

## Strategic Plan

The Emmaus strategic plan 2020-2025 has been developed with input from across the federation, it is written in an easy-to-understand format, without business jargon, and reflects a return to Emmaus's original founding values, to be more in line with those used by Emmaus International.

## Why do we exist?

We exist to give hope and a sense of belonging to those who have experienced homelessness or social exclusion

## How do we make a difference?

We create communities and opportunities to develop

## Our values

- Sharing
- Welcoming
- Respect
- Openness
- Solidarity

## What we do

We help people

- We provide a safe home and community for as long as people need it
- We support people to achieve their aspirations
- We help others through acts of solidarity

We work

- We engage people in meaningful activities through a range of social enterprises
- We help the environment and recycle and repurpose donations

We use our voice

- To promote who we are, what we do and how we do it

We are part of an international movement and our members and trustees are actively involved.

## Our strategic plan 2020-2025

The strategic plan (2020-2025) outlines three strategic priority areas.

### 1. We will help more people by

- Delivering a wider range of social activities to address social exclusion
- Creating more homes

- Developing a range of employment and move-on housing options
- 2. We will work smarter by**
- Improving our processes and making better use of technology
  - Developing and growing our social enterprises
  - Actively seeking opportunities to improve our environmental impact
- 3. We will shout louder about**
- What we do and how we make a difference

### **Achievements and performance**

Emmaus UK's activities are described below. As a support organisation, all charitable activities focus on providing support and advice to members of the federation and are undertaken to further Emmaus UK's charitable purposes for public benefit. Due to the COVID-19 pandemic Emmaus UK has focused its efforts on overcoming the challenges faced to ensure the stability of the federation. We have adapted to new ways of working, making the most of virtual opportunities to host peer meetings and providing advice and support to members.

Emmaus UK provides expert support to Emmaus communities and groups who work with people who have experienced homelessness and social isolation, known within Emmaus as companions. Companions are provided a home for as long as it is needed, meaningful work within social enterprises, support and training opportunities to help them work towards a brighter future. The social enterprises in turn help support members of the wider community, by offering low-cost furniture and goods and, in some areas, food to those on low incomes. Acts of solidarity from companions also help the wider community, through fundraising and volunteering for local, national and international charities.

In addition to this, Emmaus UK runs a national referral gateway which enables easier access for potential companions to communities.

In order to deliver the federation's strategic plan priorities, Emmaus UK has been working with its members to provide support and offer a range of federation-wide activities, such as an IT service, a regional communications service, fundraising support, training planning, staff training and development, improving governance, health and safety and business support and development.

The following sets out the achievements of Emmaus UK, the charity, and how they have supported members of the Emmaus federation in the UK.

#### **We will help more people**

- 213 companions have received individual support for training and development. A further 50 companions have taken part in group training. Total training funding from the Companion Training Fund was £66,478

- Development support to two new groups aspiring to become part of the Emmaus federation
- Emmaus Lambeth have received £34,000 from the Companion Room Expansion Grant to develop three new rooms
- 177 people were accommodated in Emmaus communities through the national referral service
- The Capacity Development Fund awarded 18 applications from communities the total amount of £224,007, to help increase their capacity and an additional £117,555 in to meet demands for Rayne Foundation grants.

**We will work smarter**

- We have provided COVID-19 recovery support to members – including shop reopening info and guides, how to access retail grants information and guidance, sourced Personal Protective Equipment (PPE) from corporate partners and provided funds to purchase PPE at local level, and represented the federation at Charity Retail Association
- Created resources for online trading to help bring in income when social enterprise are closed
- Delivered external eBay training to 16 members
- Although no retail reviews were performed in person this year due to the pandemic, the process has been redeveloped to ensure it is reflective of the different ways in which members trade
- Business development support was given to 14 communities including recruitment support, and project planning
- Business planning support was delivered to three communities
- More than 2/3 of communities are now on Charity log system
- Four members received BASE grants for new alternative social enterprise ideas that can be scaled up across the federation, totalling £ £29,409
- 1965 iHASCO e-learning courses, organised and funded by Emmaus UK, were completed by 556 learners (staff, volunteers, trustees, and companions from across the federation) to improve skills across a range of subjects including health and safety, HR and compliance
- 15 Bespoke training courses were delivered, including professional boundaries, safeguarding for staff and trustees, board effectiveness and essential trustee skills, presentation skills, and facilitation skills
- Intensive mentoring on companion support to three communities including one full support review and general companion support to 12 others
- Monthly policy updates and more frequent COVID-19 updates and resources
- Attendance of the APPG (All Party Parliamentary Group) for Ending Homelessness and Homeless Link Policy Forum
- Procurement and roll out of Health and Safety support service to 25 members

## Emmaus UK

### Trustees' annual report

#### For the year ended 30 June 2021

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- Supported existing peer groups, Business managers, Chairs, Exec Leads and companions and developed three new groups; online sales peer group, finance peer group and a peer group for emerging groups aiming to become communities
- Emmaus UK secured £250,000 of funding from the Rayne Foundation to help support communities during COVID-19 pandemic. This funding was topped up by an additional £117,455 from the Capacity Development Fund to support a total of 13 communities, including creation of seven new posts

#### We will shout louder about

- Emmaus UK offered half a day of the dedicated Regional Communications (RCO) Service to each of the members free of charge.
- 10 communities paid for additional time over and above this to promote their community or group locally
- 29 members in total benefitted from the RCO service and four additional staff were recruited to meet the increased demand
- The RCO service generated 730 pieces of regional news coverage
- 62 pieces of national coverage achieved, including Countryfile, BBC Morning Live, BBC Radio 4, and the Big Issue
- Engagement plans for each of the main social media platforms (Facebook, Instagram, Twitter and LinkedIn) were developed to ensure content was relevant and interesting to the different audiences.
- Continued website development to maximize visitors and income donated online (62% increase of unique users and 53% increase in views)
- Reviewed and redeveloped email communications to supporters, personalising content and making the content more interesting and visually appealing
- Supported companions to develop a peer-led newsletter – Companion Voice

Emmaus in the UK (consolidated information Emmaus members in the UK)

Emmaus UK only exists to support communities and groups across the UK, helping them to strengthen their social enterprises and ensure they are in the best possible position to support companions when they need it most. We also keep track of member's achievements.

Despite this bad news there have been plenty of highlights this year, here are a few of them:

- Emmaus offers 859 accommodation places to companions across 28 communities
- Emmaus Suffolk opened its first accommodation for tenants who have previously experienced homelessness
- Emmaus Colchester opened seven new ensuite rooms for move-on companions
- Emmaus Norfolk and Waveney has opened 10 new rooms

## Fundraising income

Direct Marketing continues to be the largest source of income to Emmaus UK, thanks to the generosity of individual donors. Overall fundraised income £2,660,358 in 2020/2021 (£2,153,934 2019/2020)

## The coming year

The unstable economic situation and ongoing pandemic mean Emmaus is likely to face more challenges in the upcoming year. It is anticipated that the full economic impact of the pandemic has not yet hit our generous supporters. We will continue to support the federation and respond to the increasing demand and changing needs of people who have experienced homelessness and social isolation in the UK.

Our new Chief Executive started in September and we use the opportunity to reflect on the work we do and ensure our priorities and plans are still the most effective and appropriate way to meet the needs of those we support, and to ensure our long-term survival as a federation.

## Financial Review

The total income for the year was £3,142,757 (£2,592,228 2019/2020), restricted income was £538,059, (£498,763 2019/2020). Of this £378,312 (£468,763 2019/2020) was donations and grants fundraised for communities and groups and passed directly to them, with support from the general fundraising. The principal funding sources for the year were donations from direct marketing, legacies, grants from trusts and foundations and funds raised through corporate partnerships.

Full details concerning the cost of charitable activities are shown in Note 5a to the accounts. The total cost of charitable activities has increased by £333,908 to £2,257,472 in 2020/2021 from £1,923,564 in 2019/2020. This is primarily due to an increased amount of financial support paid to communities and groups (Rayne Foundation and Capacity Development Fund grants).

Total charity expenditure increased to £2,772,931 2020/2021 (from £2,401,382 in 2019/2020) The primary factors behind this include increased support to communities and groups from the Capacity Development Fund and co funding communities with Rayne Foundation donation which Emmaus administers, increased spending on IT support, a federation-wide Health & Safety contract, increased training and HR costs for the federation, end of our office lease, a move to monthly payments and the recruitment costs for the new Chief Executive.

The Community & Enterprise Investment Loan Fund (see Note 13) received loan repayments from members of £50,685 (£30,050 2019/2020).

Grants totalling £341,562 (£71,754 2019/2020) and an additional £250,000 from the Rayne Foundation, administrated by Emmaus UK, were paid out of the Capacity Development Grant fund with an additional £34,000 (£190,000 2019/2020) paid from the Companion Room Expansion grant in order to fund an increase in the number of available rooms in the UK. £29,409 (£15,000 2019/2020) was also granted to

communities through the Building Alternative Social Enterprise (BASE) fund to help pilot new social enterprise ideas.

Emmaus UK also works directly with members of the federation to raise funds, which are paid directly and are therefore not reflected in these financial statements. The costs of this activity are included in the fundraising and publicity resources as detailed in note 6a Emmaus UK offers a range of other free services to support the members of the federation, these include marketing, HR advice and support, communications and PR, events management, and business development.

## Principal risks and uncertainties

### Risk management

Risk management is taken very seriously by the Trustees at Emmaus, identifying risk is a standing item on both the Resources Committee and Operations Committee agendas. The trustees have a formal risk management policy in place and strategic and operational risk registers to assess risks and implement risk mitigation strategies. These identify the type of risks faced by the charity, prioritises them in terms of likelihood of occurrence and potential impact, and identifies the means of mitigating those risks. The registers are regularly updated, with systems being amended as appropriate.

The top 10 key strategic risks currently identified in the charity's strategic risk register, are:

Risk	Control Measures
Failure to effectively monitor and respond to changes in the external environment	Regular monitoring of external environment including legislation and policy Links to appropriate networks Brexit advice circulated to members COVID-19 briefings monitored and disseminated to members Cyber security advice circulated to members and opportunities for training provided
A significant event at community or group has an adverse effect on the public perception of the federation	Communications strategy Supportive interventions process Monitoring and liaison between lead staff and chairs

Risk	Control Measures
	<p>Regular reports to Operations Committee on members presenting risks</p> <p>Legacy fund for capacity building</p> <p>MIR data collection and analysis</p> <p>Effective community risk management</p>
<p>Communities taking Universal Credit in the short term may create problems in the long term</p>	<p>Briefing note prepared for members setting out pros and cons</p> <p>Board statement issued</p> <p>Task &amp; finish group set up to advise board</p>
<p>Failure of communities &amp; groups to repay loans from the Emmaus Fund (EUK balance sheet) and/or meet interest payments</p>	<p>Robust due diligence checks before approval is granted by the investment committee.</p> <p>Security/charge taken on loan where appropriate.</p> <p>Quarterly monitoring of recipient's financial performance, cash position and risk attached to repayments.</p> <p>Liaison with Head of Federation Support to act on any issues surrounding repayments</p> <p>Legacy fund created to build capacity</p> <p>Monitoring of external environment &amp; assessing impact</p> <p>Business Development Team working closely with members</p> <p>Freeze on capital repayments and interest during period of COVID-19 crisis</p> <p>Emergency Fund created to support members in difficulty</p>
<p>Failure of communities and groups to repay loans from 3<sup>rd</sup> parties via the Emmaus Fund (and/or meet interest payments)</p>	<p>Robust due diligence checks before approval is granted by the investment committee</p>

Risk	Control Measures
	<p>Framework agreements with 3<sup>rd</sup> party loan providers ensure that Emmaus UK is not liable for capital repayments to 3<sup>rd</sup> parties</p> <p>Quarterly monitoring of recipient's financial performance, cash position and risk attached to repayments. Liaison with Head of Federation Support to act on any issues surrounding repayments</p> <p>Business Development Team working closely with members</p> <p>Freeze on capital repayments and interest during COVID-19 crisis</p>
<p>The federation loses confidence in Emmaus UK through failure to deliver services or represent the federation effectively</p>	<p>Federation wide strategic plan in place</p> <p>Robust federal governance structure</p> <p>Implementation plan in place</p> <p>Regular communications with members</p> <p>Peer group meetings</p> <p>Revised MoU agreed by members at 2018 AGM</p> <p>Monthly Chairs and Executive Leadership peer group conferences</p> <p>Regular briefings on COVID-19 matters</p>
<p>Reputational risk to Emmaus UK caused by failure of any of its members</p>	<p>Head of Communications &amp; Fundraising regularly updated on significant events</p> <p>Head of Federation Support regularly monitors federation issues</p> <p>Regular communications with members</p> <p>Reviews conducted following incidents to understand and share lessons learned</p>

Risk	Control Measures
	COVID-19 situation regularly monitored
Failure to raise sufficient funding through traditional and social investment routes to deliver the strategic plan, meet members' requests, fund new social enterprises, support communities and groups and meet the federation office costs	<p>Written fundraising strategy</p> <p>Agreement by the resources committee on the fundraising protocols</p> <p>Effective management of donor base</p> <p>Strong relations with funding trusts and foundations</p> <p>Membership subscriptions</p> <p>Effective management of donated funds</p> <p>Regular audit</p>
Reputational risk due to a lack of diversity and inclusion	<p>Unconscious bias training delivered to staff and trustees</p> <p>Equality &amp; Diversity working group set up</p> <p>Diversity &amp; Inclusion policy in place</p>
Failure to ensure Emmaus UK is compliant with current and future legislative and regulatory requirements	<p>Annual returns to regulatory bodies. Effective health and safety policies</p> <p>Regular health and safety training</p> <p>Chief executive's report to board</p> <p>Suite of organisational policies</p> <p>Standing orders and financial regulations</p> <p>Annual audit</p> <p>Review of gift aid procedures</p> <p>Annual review of risk register</p> <p>Charity Commission has relaxed some requirements due to pandemic</p>

## Reserves policy and going concern

The present level of funding is adequate to support the charity's activities, and the trustees consider the financial position of the charity to be satisfactory based on the budgeted projection, cash flow forecast, analyses of current movement needs and donor's expectation. The fundraising strategy is adopted and regularly reviewed in line with the strategic plan. There are no concerns about the charity's abilities to continue as explained below, and there is no deficit.

The trustees consider that three months operating cost should be held in unrestricted reserves (based on future budget spend this equates to approximately £425,000). Unrestricted general funds at 30 June 2021 were £329,519 (£424,179 2019/2020). The Board set up the group of trustees to review financial performance and the regular reviews at the Board and committee meetings. The group include the treasurer, the chair of the Resources Committee, trustees and senior management. The group has agreed that solid performance by the fundraising team, cash flow and level of working capital is adequate to manage short and medium risk. More information on the funds is provided in Note 18a.

The charity raises funds to cover its own costs and those of the Community and Enterprise Investment Loan Fund (formerly Emmaus Fund) as well as funds in direct support of members of the federation. On 30 June 2021 the Emmaus Fund stood at £1,093,385 (£1,010,105 2019/2020) of which £422,070 (£696,198 2019/2020) is on loan to communities. The remainder is available for allocation in the form of financial support to members, subject to receipt of qualifying applications. The Capacity Development Grant fund, created specifically to increase capacity in communities and groups, ended the year at £389,954 (£731,517 2019/2020) Emmaus UK continue to hold £500,000 as designated fund as emergency fund available for communities and groups dealing with COVID-19 related financial challenges after the end of the furlough scheme. This fund will be reviewed at the end of 2021.

## Investments policy and returns

Under the Articles of Association, the charity has the power to make any investment which the trustees see fit. The trustees have considered the most appropriate policy for investing funds and have found that savings and deposit accounts meet their requirements that the investments are secure and at the competitive market rates. The trustees consider the return on investments achieved during the year to be satisfactory in the current economic climate and the chosen banks have a good reputation and rating.

The Investment committee is responsible for the governance of the major loan and grant making funds held by Emmaus UK, ensuring that the decision making around the distribution of funds and subsequent monitoring is appropriately independent, consistent and transparent. This committee is also responsible for the governance of loans made by Emmaus UK's social investment partners, providing independent due diligence and monitoring on their behalf.

The Community & Enterprise Investment Loan fund is established to support Emmaus communities and groups to grow, implement change or survive. Guidance by the Investment Committee has made it clear that communities with a clear focus on reaching financial sustainability will be prioritised.

## Emmaus UK

### Trustees' annual report

#### For the year ended 30 June 2021

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In April 2020 the board agreed to defer all capital repayments for all communities with outstanding loans until December 2020. This was reviewed again in June 2021 and will continue until December 2021. The board also agreed that communities with outstanding Emmaus UK loans are given an interest free period until December 2021.

Emmaus UK grant funds:

- Companion Room Expansion grants, used to increase accommodation spaces
- Capacity Development Grant, used to expand business opportunities in order to increase financial sustainability
- Emergency Fund

These grants are awarded and monitored (costs and progress) on a continual basis by the Investment Committee.

In addition to these the smaller grant funds:

- Companion Training Fund (CTF) grants, paid for companions to access training and necessary tools to move on or access training
- Building Alternative Social Enterprise (BASE) to pilot different social enterprise ideas. Grants are monitored at SMT level.

## Public benefit

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. All trustees give their time voluntarily and receive no financial benefit from the charity. Any expenses reclaimed from the charity are set out in note 8 to the financial statements.

Trustees and individual liability insurance covers up to £500,000 of liability.

## Fundraising

The majority of Emmaus UK's fundraising income is generated via individual giving. Emmaus UK primarily uses media inserts and direct mail to recruit and maintain a database of individual donors, as well as generating income from sponsored challenge events, regular giving (via direct debits and standing orders) and from gifts left as legacies.

The fundraising team also uses corporate fundraising to maximise income, non-financial support from corporates for Emmaus UK and federation members, and trust fundraising to generate income from trust and foundation applications.

Third parties, including copywriters and commercial printers, are used to produce and distribute materials by the most efficient and cost-effective means. Any third parties working with Emmaus UK on its fundraising activities are subject to due diligence before they begin delivering work. This includes ensuring data protection controls are in place, seeking references and conducting tender processes.

Emmaus UK is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice which the regulator maintains. Emmaus UK also maintains and publishes an Ethical Fundraising Policy which sets out the approach to transparent and honest fundraising practice, including how donors are contacted, how donor data is protected, how vulnerable people are protected and how to feed back or make a complaint. Alongside the Ethical Fundraising Policy, the Vulnerable Persons Policy also details the approach to protecting vulnerable people within Emmaus UK's fundraising activities.

Emmaus UK received no fundraising-related complaints for year ending 30<sup>th</sup> June 2021.

## Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 20 August 1997 and registered as a charity on 18 September 1997.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

The charity is a company limited by guarantee and a registered charity in England and Wales. Its governing documents are its Articles of Association, Rules and Byelaws. The board and Emmaus UK act as a focus for members of the federation to enable them to work together in pursuit of the movement's stated aims and objectives, whilst at the same time functioning as independent, self-supporting and sustaining communities.

The charity's principal objectives, as set out in its Articles of Association, are the alleviation and relief of poverty, hardship and distress for those in need, without distinction, by:

- Laying down and promoting the principles of the movement, both in the UK and world-wide, furthering its growth within the terms of these objectives by acting as a national federal body for all the charity's members.
- Preserving, defending and enhancing the Emmaus name for the good of the movement.
- Acting as a central coordinating body for the exchange of views, information and publicity with the aim of promoting unity within the movement.
- Being the UK-wide voice and representative of the movement.
- Educating the public in the needs of poor and marginalised people through whatever means of publicity or education the charity deems fit.
- Developing communities and other initiatives either directly or through supporting the work of members of the charity or other organisations within the movement.
- Providing or assisting in providing accommodation and work for poor and homeless people at locations in the UK as may seem appropriate from time to time.
- Providing and encouraging appropriate training and development throughout the movement.
- Encouraging good practice on the part of federation members, and other organisations or agencies working or involved in communities, and publishing codes of recommended practice, guidance manuals and other educational and training material.

- Acting as a channel of communication and co-operation with Emmaus International.
- Supporting the work of other agencies in the relief of poverty and homelessness whether in the UK or elsewhere in the world; in particular (but without limitation) by the exchange of resources, information and expertise with other Emmaus groups world-wide.

The charity supports the federation, the full members of which elect its Board of Trustees. The board may co-opt up to four additional trustees. A majority of the charity's elected trustees must be trustees or employees of full members and, prior to the AGM, all members are invited to make nominations for new trustees. When choosing trustees for co-option, the board considers the need for any specialist skills. New trustees are provided with an induction pack, the contents of which include the governing documents, the current federation and Emmaus UK plans, recent financial information and a number of relevant policies. They are also invited to attend an induction day where they are briefed on their obligations under company and charity law as well as the activities of Emmaus UK. Those who have not already done so are encouraged to visit a number of members of the federation - both communities and groups. Ongoing training is given to trustees in line with the requirements of the Charities SORP.

The trustees are responsible for providing direction, strategy and governance to the charity. Responsibility for the implementation of this guidance is delegated to the Chief Executive. Four committees help to increase the board's effectiveness.

## Appointment of trustees

The board has, and regularly considers, the mix of skills, knowledge and experience it needs to govern, lead and deliver the charity's purposes effectively. It reflects this mix in its trustee appointments, balancing the need for continuity with the need to refresh the board. The constitution allows for regular refreshing of the board but also enables the board to retain needed skills. There is a formal, rigorous and transparent procedure to appoint new trustees to the board, which includes advertising vacancies widely. Trustees are appointed for a fixed three year term and may serve no more than nine years in total.

## Membership of board and committees (on 30 June 2021)

### Emmaus UK Board

The Board of Trustees governs Emmaus UK and is the ambassador for the federation and its members, safeguarding and promoting, both internally and externally, the values, and strategic aims of Emmaus in the UK.

**Chair:** Susan Brooksbank-Taylor - Emmaus Coventry & Warwickshire

**Vice-Chairs:**

Amanda Stekly – Emmaus Norfolk & Waveney

Katrina Mattock - Independent

**Treasurer:** Richard Paterson - Independent

## Emmaus UK

### Trustees' annual report

For the year ended 30 June 2021

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#### Trustees:

Andrea Clemons – Independent  
Geraldine Tsakirakis – Emmaus Coventry & Warwickshire  
Hazel Warwick – Emmaus Hampshire  
John Clark – Emmaus Greenwich  
John Harrison – Emmaus North East  
Lucia Smith – Emmaus Village Carlton  
Keith Jeffrey – Independent  
Kelly Finnis – Emmaus Hull & East Riding  
Sara Creech - Independent  
Tony Ferrier – Emmaus Glasgow

#### Operations Committee

The role of the Operations Committee is to oversee and review the work of the federation of Emmaus communities and groups in the UK, on behalf of the Emmaus UK Board, in order to ensure that its members demonstrate strength, quality, operate in line with good practice and are working together to achieve the federation's strategic objectives.

**Chair:** Katrina Mattock - Independent/Emmaus UK Vice Chair

**Members:** Andrea Clemons – Independent/Emmaus UK trustee

Frances Hirst – Independent

John Harrison – Emmaus North East

Kelly Finnis – Emmaus Hull & East Riding/Emmaus UK Trustee

Rachael Burton – Emmaus Lambeth

Steve James – Emmaus Oxford

Tony Ferrier – Emmaus Glasgow/Emmaus UK Trustee

Ex-Officio: Susan Brooksbank-Taylor - Emmaus Coventry & Warwickshire/Emmaus UK Chair

Secretary: Duncan Gall - Emmaus UK Head of Federation Support

#### Investment Committee

The role of the Investment Committee is to govern the Emmaus funds and to ensure that decision-making around the distribution of funds and subsequent monitoring is appropriately independent, consistent and transparent.

**Chair:** Keith Tolladay – Independent

**Vice-Chair:** David Cooper – Emmaus Hastings & Rother

**Members:**

Geraldine Tsakirakis – Emmaus Coventry & Warwickshire/Emmaus UK Trustee

Hazel Warwick – Emmaus Hampshire/Emmaus UK Trustee

Joe Feeley – Emmaus Gloucestershire

John Bromley – Independent

John Webbe – Emmaus North Staffs

## Emmaus UK

### Trustees' annual report

#### For the year ended 30 June 2021

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Keith Jeffrey – Independent/Emmaus UK Trustee

Lucia Smith – Emmaus Village Carlton/Emmaus UK Trustee

Samantha Tubb – Independent

**Ex-Officio:** Susan Brooksbank-Taylor - Emmaus Coventry & Warwickshire/Emmaus UK Chair

Katrina Mattock – Emmaus Leeds/Emmaus UK

**Secretary:** Linda Drury - Emmaus UK Head of Business Development

### Resources Committee

The Resources Committee exists to manage and oversee the financial and human resources of Emmaus UK, the charity, on behalf of the Emmaus UK Board of Trustees. Within this remit it ensures that the charity: adopts appropriate and effective human resource policies in the employment of its staff; effectively manages and monitors its financial resources and adopts appropriate strategies in relation to fundraising and finance; and has the capacity to deliver the annual office plan that delivers the federation strategic plan. It also recommends to the board the annual budgets (including the staff and remuneration budgets) and reviews the annual objectives and performance of the Chief executive

**Chair:** Amanda Stekly – Emmaus Norfolk & Waveney/Emmaus UK Vice Chair

**Vice Chair:** Sara Creech – Independent/Emmaus UK Trustee

**Members:**

Katrina Mattock – Independent/Emmaus UK Vice Chair

John Clark – Emmaus Greenwich/Emmaus UK Trustee

Richard Paterson - Independent/Emmaus UK Trustee

Susan Brooksbank-Taylor – Emmaus Coventry & Warwickshire/Emmaus UK Chair

**Secretary:** Helen Brandley, Acting Head of Communications & Fundraising

### Audit, Risk and Governance Committee

The main role of the Audit, Risk and Governance Committee is to ensure that the charity adopts appropriate and effective frameworks for robust internal control, audit and risk management, as well as maintaining high levels of good governance and scrutinising performance in these key areas.

**Chair:** Frank McMahon – Independent

**Vice-Chair:** John Clark – Emmaus Greenwich/Emmaus UK Trustee

**Members:**

Anna McKain – Independent

Graham Haynes – Emmaus Cambridge

Keith Jeffrey – Independent/Emmaus UK Trustee

**Ex-Officio:** Susan Brooksbank-Taylor – Emmaus Coventry & Warwickshire/Emmaus UK Chair

**Secretary:** Sanja Kalik – Emmaus UK Head of Finance

## Related parties and relationships with other organisations

As listed above and as stated in articles many Emmaus UK's trustees are also members of staff or trustees of Emmaus communities or groups. There are no additional relationships between the charity and related parties including its subsidiary undertakings, and with any other charities and organisations with which it cooperates in the pursuit of its charitable objectives. Emmaus UK administers loans on behalf of The Rayne foundation to Emmaus communities or groups. Emmaus UK bears no liability for repayment of principal. This rests with the loan recipient.

## Funds held as a custodian trustee on behalf of others

Emmaus UK did not act as a custodian trustee during this accounting period

## Statement of responsibilities of the trustees

The trustees (who are also directors of Emmaus UK for the purposes of company law) are responsible for preparing the trustees' annual 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 period. 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 June 2021 was 14 (2020:11). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## **Auditor**

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 8 December 2021 and signed on their behalf by

Amanda Stekly  
Vice Chair of Trustees

## Independent auditor's report

### To the members of

#### Emmaus UK

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### Opinion

We have audited the financial statements of Emmaus UK (the 'charitable company') for the year ended 30 June 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Emmaus UK's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information

## Independent auditor's report

### To the members of

#### Emmaus UK

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and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

#### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## Independent auditor's report

### To the members of

#### Emmaus UK

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### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

### Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit, risk and governance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

## Independent auditor's report

### To the members of

#### Emmaus UK

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)

17 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

## Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 June 2021

	Note	2021			2020		
		Unrestricted and Designated £	Restricted £	Total £	Unrestricted and Designated £	Restricted £	Total £
<b>Income from:</b>							
Donations and legacies	2	2,282,046	378,312	<b>2,660,358</b>	1,685,171	468,763	2,153,934
Charitable activities							
Support to Federation and communities	3	256,501	159,747	<b>416,248</b>	347,920	30,000	377,920
Interest receivable	4	35,131	-	<b>35,131</b>	50,614	-	50,614
Other		31,021	-	<b>31,021</b>	9,760	-	9,760
<b>Total income</b>		<b>2,604,698</b>	<b>538,059</b>	<b>3,142,757</b>	<b>2,093,464</b>	<b>498,763</b>	<b>2,592,228</b>
<b>Expenditure on:</b>							
Raising funds	5	515,459	-	<b>515,459</b>	477,818	-	477,818
Charitable activities							
Support to Federation and communities	5	1,687,630	569,842	<b>2,257,472</b>	1,372,933	550,631	1,923,564
<b>Total expenditure</b>		<b>2,203,089</b>	<b>569,842</b>	<b>2,772,931</b>	<b>1,850,751</b>	<b>550,631</b>	<b>2,401,382</b>
<b>Net income / (expenditure) for the year</b>	7	401,609	(31,782)	<b>369,826</b>	242,713	(51,868)	190,846
Transfers between funds		(16,858)	16,858	-	-	-	-
<b>Net movement in funds</b>		<b>384,751</b>	<b>(14,924)</b>	<b>369,826</b>	<b>242,713</b>	<b>(51,868)</b>	<b>190,846</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		3,256,201	24,578	<b>3,280,779</b>	3,013,486	76,447	3,089,933
<b>Total funds carried forward</b>		<b>3,640,952</b>	<b>9,653</b>	<b>3,650,605</b>	<b>3,256,201</b>	<b>24,578</b>	<b>3,280,779</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Emmaus UK

Balance sheet

Company no. 03422341

As at 30 June 2021

	Note	£	2021 £	£	2020 £
<b>Fixed assets:</b>					
Tangible assets	12		9,556		8,300
Social investments: Emmaus Fund	13		422,070		696,198
			<u>431,626</u>		<u>704,498</u>
<b>Current assets:</b>					
Debtors	14	120,834		113,896	
Short term deposits		3,389,391		2,816,305	
Cash at bank and in hand		233,817		222,176	
		<u>3,744,041</u>		<u>3,152,377</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	15	(525,063)		(576,096)	
			<u>3,218,979</u>		<u>2,576,281</u>
<b>Net current assets</b>			<u>3,218,979</u>		<u>2,576,281</u>
<b>Total net assets</b>			<u><u>3,650,605</u></u>		<u><u>3,280,779</u></u>
<b>The funds of the charity:</b>					
Restricted income funds	18a		9,653		24,578
Unrestricted income funds:					
Designated funds		3,311,433		2,832,022	
General funds		329,519		424,179	
		<u>3,640,952</u>		<u>3,256,201</u>	
<b>Total unrestricted funds</b>			<u>3,640,952</u>		<u>3,256,201</u>
<b>Total charity funds</b>			<u><u>3,650,605</u></u>		<u><u>3,280,779</u></u>

Approved by the trustees on 8 December 2021 and signed on their behalf by

Amanda Stekly  
Vice Chair of Trustees, Emmaus UK

## Statement of cash flows

For the year ended 30 June 2021

	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>				
Net income for the reporting period (as per the statement of financial activities)	369,826		190,846	
Reclassification of social investments	223,444		-	
Bank and investment interest	(35,131)		(50,614)	
Depreciation charges	6,724		6,606	
Increase in debtors	(6,938)		(1,419)	
Increase/(decrease) in creditors	(51,033)		(309,492)	
<b>Net cash provided by/(used in) operating activities</b>	<b>506,891</b>		<b>(164,072)</b>	
<b>Cash flows from investing activities:</b>				
Purchase of fixed assets	(7,980)		(3,621)	
Bank and investment interest	35,131		50,614	
<b>Net cash provided by investing activities</b>	<b>27,151</b>		<b>46,993</b>	
<b>Cash flows from financing activities:</b>				
Receipt of Emmaus Fund loan repayments	50,685		30,050	
<b>Net cash (used in)/ provided by financing activities</b>	<b>50,685</b>		<b>30,050</b>	
<b>Change in cash and cash equivalents in the year</b>	<b>584,726</b>		<b>(87,030)</b>	
Cash and cash equivalents at the beginning of the year	3,038,481		3,125,511	
<b>Cash and cash equivalents at the end of the year</b>	<b>3,623,207</b>		<b>3,038,481</b>	
<b>Analysis of cash and cash equivalents</b>				
	At 1 July 2020	Cash flows	At 30 June	
	£	£	2021	£
Short term deposits	2,816,305	573,086	3,389,391	
Cash at bank and in hand	222,176	11,641	233,817	
<b>Total cash and cash equivalents</b>	<b>3,038,481</b>	<b>584,726</b>	<b>3,623,207</b>	

Notes to the financial statements

For the year ended 30 June 2021

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**1 Accounting policies**

**a) Statutory information**

Emmaus UK is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address (and principal place of business) is Unit 302 Scott House, The Custard Factory, Gibb Street, Birmingham, B9 4AA.

**b) Basis of preparation**

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The accounts are prepared as full values however are presented to the nearest £1. This may cause small discrepancies in the financial statements.

**c) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. This is discussed in the trustees' annual report.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Solidarity grant income is the repayment of grants given to groups and communities when they are in the process of developing. The income is paid into the Emmaus Fund to be re-distributed to groups and communities as a grant or loan.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. In exceptional circumstances when a loan is converted to a grant, any outstanding interest will be written off at conversion date.

Notes to the financial statements

For the year ended 30 June 2021

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**1 Accounting policies (continued)**

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

The designated Emmaus Fund is held for payments to be made in the future to Emmaus groups and communities, to support Emmaus International movement and development projects at Emmaus UK. The trustees have the power to reallocate such funds within unrestricted funds. Note 18 provides detail on the balances of the designated funds.

**i) Expenditure and irrecoverable VAT**

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

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**j) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity. Emmaus UK operates three grants funds: Companion room expansion grants, formerly known as 25th Anniversary Grants, used to increase number of bed spaces across Emmaus communities. Capacity Development Grant, former Legacy fund, used to expand business opportunities. Grants may be funded over varying periods of time, therefore cost and progress is monitored on continuous bases by the Investment Committee. The companion training fund is direct support for companions request for learning and necessary tools to move on.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

**k) Allocation of support costs**

All support and governance costs are allocated to the charitable activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**l) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**m) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- |                                  |           |               |
|----------------------------------|-----------|---------------|
| • Leasehold improvements         | 4 years   | straight line |
| • Office furniture and equipment | 4/5 years | straight line |
| • Computers                      | 3 years   | straight line |
| • Motor vehicles                 | 4 years   | straight line |

## Notes to the financial statements

For the year ended 30 June 2021

## 1 Accounting policies (continued)

## n) Social investments

The Community Investment and Enterprise Loan fund, previously called The Emmaus Fund, is a loan-making fund with the intention of providing funds to support communities to change, grow or survive. Priority is given to communities that are expressly working towards financial self-sustainability. The Investment Committee ensures that decision-making around the distribution of funds and subsequent monitoring is appropriately independent, consistent and transparent. The committee oversees that the governance of loans made by Emmaus UK's social investment partners, providing independent due diligence and appropriate monitoring including quarterly risk review for each investment. In exceptional circumstances The Emmaus Board could convert loans to grants.

## o) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

## p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 24 months.

## q) Cash at bank and in hand

Cash at the current bank account, PayPal account and cash in hand are included as cash at bank and in hand.

## r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## s) 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.

## t) Pensions

The company operates a money purchase pension scheme under which the amount charged to the statement of financial activities is the contributions payable in the year. Differences between contributions payable in the year and the contributions paid are shown as either creditors, accruals or prepayments in the balance sheet.

## u) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of financial activities.

## 2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Donations to Emmaus UK for federation members	-	378,312	378,312	-	468,763	468,763
Donations for Emmaus UK	1,472,297	-	1,472,297	1,313,808	-	1,313,808
Legacies	809,748	-	809,748	367,363	-	367,363
Donated services	-	-	-	4,000	-	4,000
	<u>2,282,046</u>	<u>378,312</u>	<u>2,660,358</u>	<u>1,685,171</u>	<u>468,763</u>	<u>2,153,934</u>

Notes to the financial statements

For the year ended 30 June 2021

**3 Income from charitable activities**

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Regional Communication Services	22,083	-	<b>22,083</b>	53,615	-	53,615
Grants from trusts and foundations	119,756	159,747	<b>279,503</b>	160,393	30,000	190,393
Subscription income from federation members	51,891	-	<b>51,891</b>	60,771	-	60,771
Repayment of solidarity grants	42,897	-	<b>42,897</b>	73,141	-	73,141
Government grant: Coronavirus Job retention	19,874	-	<b>19,874</b>	-	-	-
<b>Total income from charitable activities</b>	<b>256,501</b>	<b>159,747</b>	<b>416,248</b>	<b>347,920</b>	<b>30,000</b>	<b>377,920</b>

**4 Interest receivable**

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Bank interest	35,080	-	<b>35,080</b>	41,007	-	41,007
Loan interest	50	-	<b>50</b>	9,607	-	9,607
	<b>35,131</b>	<b>-</b>	<b>35,131</b>	<b>50,614</b>	<b>-</b>	<b>50,614</b>

Loan interest includes interest receivable from Social investment in Emmaus communities and proportion of interest collected on behalf of The Rayne Foundation. Emmaus UK administrates grants on behalf on The Rayne Foundation and will bear no liability for repayments of principal. This sits with the Emmaus communities as the loan recipients.

Emmaus UK

Notes to the financial statements

For the year ended 30 June 2021

5a Analysis of expenditure (current year)

	Charitable activities				
	Raising funds	Support to federation and communities	Governance costs	Support costs	2021 Total
	£	£	£	£	£
Staff costs (Note 8)	321,603	554,367	95,233	140,061	1,111,264
Marketing costs	132,809	-	-	-	132,809
Major donor event	3,840	-	-	-	3,840
Emmaus International participation	-	35,000	-	-	35,000
Website development	31,519	-	-	-	31,519
Transfer of donations received on behalf of federation members	-	340,169	-	-	340,169
Support to federation members	-	200,924	-	-	200,924
Grants paid out of Companion Room Expansion Grant (Note 6)	-	311	-	-	311
Grants paid out of Community development Grant (Note 6)	-	341,562	-	-	341,562
Grant paid out of Community and Enterprise Loan Fund (Note 6)	-	213,579	-	-	213,579
Transfer of trust income received on behalf of federation members	-	145,000	-	-	145,000
Other direct costs	-	-	11,097	-	11,097
National Assembly, Travel, Mobile phones and data cost	4,039	10,520	2,695	407	17,662
Trustee meetings, expenses, training and insurance	-	-	12	-	12
Premises and office administration	-	-	-	96,835	96,835
Financial processing and insurance, including audit fee	11,258	-	-	28,837	40,095
Recruitment	-	-	27,343	-	27,343
Other	222	-	-	-	222
Depreciation	-	-	-	6,725	6,725
Professional fees	1,520	-	-	15,445	16,965
	<b>506,810</b>	<b>1,841,432</b>	<b>136,379</b>	<b>288,310</b>	<b>2,772,931</b>
Support costs	8,649	279,660	-	(288,310)	-
Governance costs	-	136,379	(136,379)	-	-
<b>Total expenditure 2021</b>	<b>515,459</b>	<b>2,257,472</b>	<b>-</b>	<b>-</b>	<b>2,772,931</b>

## Notes to the financial statements

For the year ended 30 June 2021

## 5a Analysis of expenditure (prior year)

		Charitable activities			
	Raising funds £	Support to federation and communities £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 8)	300,586	489,027	97,562	120,532	1,007,707
Marketing costs	135,682	-	-	-	135,682
Major donor event	8,009	-	-	-	8,009
Emmaus International participation	-	18,193	-	-	18,193
Website development	-	33,372	-	-	33,372
Donations received on behalf of federation members	-	407,632	-	-	407,632
Support to federation members	-	192,985	-	-	192,985
Grants paid out of Companion Room Expansion Grant (Note 6)	-	190,000	-	-	190,000
Grants paid out of Community development Grant (Note 6)	-	71,753	-	-	71,753
Grant paid out of Community and Enterprise Loan Fund (Note 6)	-	19,613	-	-	19,613
Other direct costs	-	390	637	353	1,380
National Assembly, Travel, Mobile phones and data cost	6,397	75,977	41,602	-	123,976
Trustee meetings, expenses, training and insurance	-	-	3,369	-	3,369
Premises and office administration	-	-	-	123,730	123,730
Financial processing and insurance, including audit fee	12,546	-	-	35,883	48,429
Recruitment	-	37	1,068	-	1,105
Other	-	390	637	-	1,027
Depreciation	-	-	-	6,606	6,606
Professional fees	1,603	4,000	-	1,211	6,814
	<b>464,823</b>	<b>1,503,370</b>	<b>144,875</b>	<b>288,315</b>	<b>2,401,382</b>
Support costs	8,649	279,666	-	(288,315)	-
Governance costs	4,346	140,529	(144,875)	-	-
<b>Total expenditure 2020</b>	<b>477,818</b>	<b>1,923,564</b>	<b>-</b>	<b>-</b>	<b>2,401,382</b>

## Notes to the financial statements

For the year ended 30 June 2021

## 6a Grant making (current year)

	2021 £	2020 £
<b>Cost</b>		
<b>Grants made from Community and Enterprise Investment Loan Fund (formerly Emmaus Fund)</b>		
Emmaus Burnley	223,443	–
Emmaus Suffolk	–	18,864
Interest due to social investors	–	749
	<b>223,443</b>	<b>19,613</b>
The Emmaus UK Board agreed to convert outstanding loans for Emmaus Burnley into the grant to support merger between Emmaus Preston and Burnley.		
<b>Grants made from Companion room expansion grants (formerly 25th Anniversary Fund)</b>		
Emmaus Brighton and Hove – grant awarded in prior year not fully spent	(29,068)	–
Emmaus Greenwich	–	90,000
Emmaus North East	–	100,000
Emmaus Lambeth	34,000	–
Emmaus Leeds – grant awarded in prior year not fully spent	(4,620)	–
	<b>311</b>	<b>190,000</b>
<b>Grants made from Capacity Development Grants (formerly Legacy Fund)</b>		
Emmaus Dover	3,897	1,889
Emmaus Bradford	62,575	–
Emmaus Mossley	2,000	30,000
Emmaus Glasgow	–	30,000
Emmaus Gloucestershire	3,500	–
Emmaus South Manchester	–	34,000
Emmaus Leicester and Rutland	100,000	–
Emmaus Cambridge	4,350	–
Emmaus Leeds	927	–
Emmaus Oxford	15,166	–
Emmaus Hampshire	4,350	–
Emmaus Lambeth	27,528	–
Emmaus Bristol	2,171	(10,000)
Emmaus Norfolk	41,032	–
Emmaus Coventry	834	–
Emmaus Hastings and Rother	1,700	1
Emmaus Bolton	23,000	–
Emmaus Sheffield	10,000	–
Emmaus Greenwich	–	(280)
Emmaus Salford	10,000	–
Emmaus Burnley	–	(13,856)
Emmaus Cornwall	28,532	–
	<b>341,562</b>	<b>71,754</b>
At the end of the year	<b>565,317</b>	<b>281,367</b>

## Notes to the financial statements

For the year ended 30 June 2021

## 6b Grant making (prior year)

	2020 £	2019 £
<b>Grants made from Community and Enterprise Investment Loan Fund (formerly Emmaus Fund)</b>		
Emmaus Medway	-	95,000
Emmaus Suffolk	18,864	-
Interest due to social investors	749	-
	<u>19,613</u>	<u>95,000</u>
<b>Grants made from Companion room expansion grants (formerly 25th Anniversary Fund)</b>		
Emmaus Colchester	-	100,000
Emmaus Hampshire	-	100,000
Emmaus Brighton and Hove	-	89,786
Emmaus Norfolk and Waveney	-	120,000
Emmaus Greenwich	90,000	-
Emmaus North East	100,000	-
Emmaus Lambeth	-	141,000
Emmaus Leeds	-	60,000
	<u>190,000</u>	<u>610,786</u>
<b>Grants repaid from Companion room expansion grants (formerly 25th Anniversary Fund)</b>		
Emmaus Hertfordshire	-	(3,937)
	<u>-</u>	<u>(3,937)</u>
<b>Grants made from Capacity Development Grants (formerly Legacy Fund)</b>		
Emmaus Dover	1,889	38,156
Emmaus Medway	-	-
Emmaus Mossley	30,000	-
Emmaus Glasgow	30,000	-
Emmaus South Manchester	34,000	-
Emmaus Staffordshire	-	9,750
Emmaus Bristol	(10,000)	10,000
Emmaus Coventry	-	6,000
Emmaus Hastings and Rother	1	16,729
Emmaus Suffolk	-	3,328
Emmaus Greenwich	(280)	10,000
Emmaus Burnley	(13,856)	13,856
Emmaus Cornwall	-	28,532
	<u>71,754</u>	<u>136,351</u>
At the end of the year	<u>281,367</u>	<u>838,200</u>

## 7 Net income / (expenditure) for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	6,725	6,606
Operating lease rentals payable:		
Property	34,066	20,968
Auditor's remuneration (excluding VAT):		
Audit	8,845	8,670
Other services	2,382	-
	<u>44,018</u>	<u>36,244</u>

## Notes to the financial statements

## For the year ended 30 June 2021

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	953,170	875,794
Social security costs	76,158	81,441
Employer's contribution to defined contribution pension schemes	47,057	43,385
Other forms of employee benefits	34,879	7,087
	<u>1,111,264</u>	<u>1,007,707</u>

Other forms of employee benefits include travelling, subsistence and personal development costs.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£70,000 – £79,999	–	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £287,280 (2020: £282,810) as a consequence of increased management to separate federations support services from social enterprise support and development services.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £12 (2020: £3,369) incurred by 1 (2020: 9) members relating to attendance at meetings of the trustees.

**9 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 28 (2020: 31).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2021 No.	2020 No.
Raising funds	5.0	5.0
Charitable activities	18.0	16.0
Support and governance	5.0	5.0
	<u>28.0</u>	<u>26.0</u>

## Notes to the financial statements

For the year ended 30 June 2021

**10 Related party transactions**

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The repayment of the solidarity grants have been recognised as income from charitable activities (Note 3), rather than as donations, and these have been included within the designated Emmaus Fund.

Grants and Loans were made to the following communities, which have trustees in common with Emmaus UK during this year:

	2021 £	2020 £
Emmaus Coventry & Warwickshire	834	-
Emmaus Cambridge	4,350	-
Emmaus Greenwich	-	90,000
Emmaus Glasgow	-	30,000
Emmaus Hastings and Rother	1,700	-
Emmaus Gloucestershire	3,500	-
Emmaus Hampshire	4,350	-
Emmaus Mossley	2,000	-
Emmaus Leicester and Rutland	100,000	-
	<b>116,734</b>	<b>120,000</b>

**11 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**12 Tangible fixed assets**

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At the start of the year	6,245	49,180	47,595	103,020
Additions in year	-	-	7,980	7,980
At the end of the year	6,245	49,180	55,575	111,000
<b>Depreciation</b>				
At the start of the year	6,245	47,661	40,814	94,720
Charge for the year	-	994	5,730	6,724
At the end of the year	6,245	48,655	46,544	101,444
<b>Net book value</b>				
<b>At the end of the year</b>	-	525	9,031	9,556
At the start of the year	-	1,519	6,781	8,300

All of the above assets are used for charitable purposes.

**13 Social investments: Community and Enterprise Investment Loan Fund (formerly Emmaus Fund)**

	2021 £	2020 £
Balance at the beginning of the year	696,198	726,248
Loans repaid during the year	(50,685)	(30,050)
Reclassification to a grant	(223,443)	-
Balance at the end of the year	<b>422,070</b>	<b>696,198</b>

The Investment Committee decides upon the interest rate charged; this can vary from nil, 1% or 4% on case by case basis. During 2020/21 loans of £52k for Emmaus Mossley and £20k for Emmaus Bradford were committed but not drawn down.

## Notes to the financial statements

For the year ended 30 June 2021

## 14 Debtors

	2021 £	2020 £
Trade debtors	42,654	24,664
Other debtors	4,628	24,627
Prepayments	43,016	27,695
Accrued income (including gift aid tax recoverable)	30,537	36,910
	<b>120,834</b>	<b>113,896</b>

## 15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	53,129	122,485
Taxation and social security	19,977	23,259
Grants payable	377,037	340,522
Other creditors	19,866	1,909
Accruals	32,553	72,921
Deferred income (note 16)	22,500	15,000
	<b>525,063</b>	<b>576,096</b>

## 16 Deferred income

Deferred income comprises grant income received in year and deferred to future periods.

	2021 £	2020 £
Balance at the beginning of the year	15,000	–
Amount released to income in the year	(15,000)	–
Amount deferred in the year	22,500	15,000
Balance at the end of the year	<b>22,500</b>	<b>15,000</b>

## 17a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	9,556	–	–	9,556
Social investments	–	422,070	–	422,070
Net current assets	319,963	2,889,363	9,653	3,218,979
<b>Net assets at 30 June 2021</b>	<b>329,519</b>	<b>3,311,433</b>	<b>9,653</b>	<b>3,650,605</b>

## 17b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	8,300	–	–	8,300
Social investments	–	696,198	–	696,198
Net current assets	415,879	2,135,824	24,578	2,576,281
<b>Net assets at 30 June 2020</b>	<b>424,179</b>	<b>2,832,022</b>	<b>24,578</b>	<b>3,280,779</b>

18a Movements in funds (current year)

	Note	At 1 July 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2021 £
<b>Restricted funds:</b>						
<b>Communities</b>						
Emmaus Bolton		(87)	8,704	(8,704)	87	-
Emmaus Bristol		84	6,675	(6,675)	-	84
Emmaus Burnley		(5)	4,026	(4,315)	295	1
Emmaus Brighton & Hove (Sussex)		6	19,964	(19,964)	-	6
Emmaus Cambridge		1,145	43,884	(47,534)	2,506	1
Emmaus Colchester		500	6,439	(7,894)	955	-
Emmaus Coventry & Warwickshire		229	7,176	(7,696)	291	-
Emmaus Dover		-	19,495	(19,495)	-	-
Emmaus Glasgow		266	4,277	(6,000)	1,456	-
Emmaus Gloucestershire		(328)	16,618	(17,634)	1,344	-
Emmaus Greenwich		23	5,070	(5,110)	17	-
Emmaus Hampshire		93	10,538	(10,528)	-	103
Emmaus Hastings and Rother		56	20,723	(20,753)	-	26
Emmaus Hertfordshire (St Albans)		(96)	4,370	(4,108)	-	166
Emmaus Hull & East Riding		(593)	15,615	(15,690)	668	-
Emmaus Lambeth		101	27,057	(28,354)	1,196	-
Emmaus Leeds		1,241	22,865	(22,895)	-	1,211
Emmaus Leicestershire and Rutland		(1,589)	2,280	(2,290)	1,599	-
Emmaus Merseyside		(548)	4,282	(4,282)	548	-
Emmaus Medway		13	2,491	(2,544)	41	1
Emmaus Mossley		(43)	6,442	(6,532)	133	-
Emmaus Oxford		76	18,775	(18,101)	-	750
Emmaus North East		(2,980)	16,006	(16,583)	3,557	-
Emmaus Norfolk and Waveney		(858)	6,506	(6,616)	968	-
Emmaus Preston		10	5,355	(5,355)	-	10
Emmaus Salford		33	6,770	(6,770)	-	33
Emmaus Sheffield		108	13,031	(13,051)	-	88
Emmaus South Manchester		289	212	(212)	-	289
Emmaus South Wales (Bridgend)		181	8,030	(7,759)	-	453
Emmaus Village Carlton (Turvey)		(465)	7,027	(7,027)	465	1
		(3,139)	340,704	(350,471)	16,126	3,220
<b>Affiliated Groups</b>						
Emmaus Bradford		150	12,175	(12,225)	-	100
Emmaus Cornwall		-	15,632	(15,632)	-	-
Emmaus Rugby		101	-	-	-	101
Emmaus Staffordshire		13	291	(291)	-	13
Emmaus Suffolk (Ipswich)		(203)	7,007	(7,536)	732	-
		61	35,106	(35,684)	732	215
<b>Other restricted funds</b>						
John Laing Charitable Trust	c	-	15,000	(15,000)	-	-
The Broyst Foundation	d	-	1,500	(1,494)	-	6
Base John Laing Charitable Trust BASE	ag	25,000	-	(25,000)	-	-
The Freemasons' Grand Charity	aj	-	120,000	(120,000)	-	-
Anon	ah	-	500	-	-	500
Calypso Browning Trust	ap	-	5,000	(5,000)	-	-
Aldo Trust	ak	-	1,250	(192)	-	1,058
Anonymous donor	ai	-	15,000	(15,000)	-	-
Smallwood Trust	g	2,657	-	-	-	2,657
Persula Foundation	i	-	2,000	-	-	2,000
Anonymous	k	-	2,000	(2,000)	-	-
Beatrice Laing Trust	l	-	-	-	-	-
		27,657	162,250	(183,686)	-	6,221
<b>Total restricted funds</b>		<b>24,578</b>	<b>538,060</b>	<b>(569,842)</b>	<b>16,858</b>	<b>9,652</b>

## Notes to the financial statements

For the year ended 30 June 2021

## 18a Movements in funds (current year) (continued)

	Note	At 1 July 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2021 £
<b>Unrestricted funds:</b>						
Designated funds:						
Community and Enterprise Investment						
Loan Fund	m	1,010,105	42,947	(213,579)	253,912	1,093,385
Capacity development Grants	n	731,517	-	(341,562)	-	389,954
HR project	o	-	-	-	-	-
IT project	p	50,000	-	(54,148)	50,000	45,852
Business planning and development	q	48,400	-	-	166,600	215,000
Emmaus International	r	10,000	-	(10,000)	-	-
Staff training	s	25,000	-	-	(25,000)	-
Safeguarding consultancy	u	-	-	-	50,000	50,000
Strength based approach	v	-	-	-	30,000	30,000
Environment audit	al	-	-	-	75,000	75,000
Strategic plan	am	-	-	-	100,000	100,000
IT tender	an	-	-	-	50,000	50,000
Women's Group	ao	-	-	-	15,000	15,000
Recycling and environmental initiatives	aq	-	-	-	19,874	19,874
Base Grants ( Emmaus UK)	w	30,000	-	(4,409)	25,000	50,591
Companion training fund	x	72,742	-	(57,002)	-	15,740
Companion room expansion grant	y	149,258	105,683	(311)	367,206	621,836
Federation emergency fund	z	80,000	-	-	(80,000)	-
Emergency fund	ab	500,000	-	-	-	500,000
Equipment for companions	ac	5,000	-	-	20,000	25,000
Federation Health and safety	ad	90,000	-	(75,800)	-	14,200
Tablets for trustees	ae	5,000	-	(2,604)	(2,396)	-
Training for Executive leaders peer	af	25,000	-	-	(25,000)	-
<b>Total designated funds</b>		<b>2,832,022</b>	<b>148,630</b>	<b>(759,415)</b>	<b>1,090,196</b>	<b>3,311,433</b>
<b>General funds</b>	aa	<b>424,179</b>	<b>2,456,068</b>	<b>(1,443,674)</b>	<b>(1,107,054)</b>	<b>329,519</b>
<b>Total unrestricted funds</b>		<b>3,256,201</b>	<b>2,604,698</b>	<b>(2,203,089)</b>	<b>(16,858)</b>	<b>3,640,951</b>
<b>Total funds</b>		<b>3,280,779</b>	<b>3,142,757</b>	<b>(2,772,931)</b>	<b>-</b>	<b>3,650,605</b>

## 18b Movements in funds (prior year)

	Note	At 1 July 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2020 £
<b>Restricted funds:</b>						
<b>Communities</b>						
Emmaus Bolton		73	3,381	(3,541)	-	(87)
Emmaus Bristol		109	4,469	(4,494)	-	84
Emmaus Burnley		1	1,261	(1,267)	-	(5)
Emmaus Brighton & Hove (Sussex)		6	4,130	(4,130)	-	6
Emmaus Cambridge		1,515	35,760	(36,130)	-	1,145
Emmaus Colchester		155	3,058	(2,713)	-	500
Emmaus Coventry & Warwickshire		(61)	9,306	(9,016)	-	229
Emmaus Dover		-	1,184	(1,184)	-	-
Emmaus Glasgow		266	4,938	(4,938)	-	266
Emmaus Gloucestershire		(228)	6,640	(6,740)	-	(328)
Emmaus Greenwich		(117)	4,086	(3,946)	-	23
Emmaus Hampshire		103	7,666	(7,676)	-	93
Emmaus Hastings and Rother		56	3,125	(3,125)	-	56
Emmaus Hertfordshire (St Albans)		214	5,181	(5,491)	-	(96)
Emmaus Hull & East Riding		(493)	2,628	(2,728)	-	(593)
Emmaus Lambeth		101	6,186	(6,186)	-	101
Emmaus Leeds		1,291	16,126	(16,176)	-	1,241
Emmaus Leicestershire and Rutland		(1,579)	6,545	(6,555)	-	(1,589)
Emmaus Merseyside		(548)	2,955	(2,955)	-	(548)
Emmaus Medway		13	3,337	(3,337)	-	13
Emmaus Mossley		2	7,726	(7,771)	-	(43)
Emmaus Oxford		(114)	19,957	(19,767)	-	76
Emmaus North East		79	4,753	(7,811)	-	(2,980)
Emmaus Norfolk and Waveney		(838)	5,262	(5,282)	-	(858)
Emmaus Preston		10	1,986	(1,986)	-	10
Emmaus Salford		33	5,281	(5,281)	-	33
Emmaus Sheffield		83	23,641	(23,616)	-	108
Emmaus South Manchester		289	73	(73)	-	289
Emmaus South Wales (Bridgend)		140	2,495	(2,454)	-	181
Emmaus Village Carlton (Turvey)		(40)	9,209	(9,634)	-	(465)
		519	212,345	(216,003)	-	(3,139)
<b>Affiliated Groups</b>						
Emmaus Bradford		150	654	(654)	-	150
Emmaus Cornwall		(1,894)	32,785	(30,891)	-	-
Emmaus Rugby		101	-	-	-	101
Emmaus Staffordshire		13	225	(225)	-	13
Emmaus Suffolk (Ipswich)		63	6,494	(6,760)	-	(203)
		(1,568)	40,158	(38,530)	-	61
<b>Other restricted funds</b>						
John Laing Charitable Trust BASE		6,820	-	(6,820)	-	-
The Broyst Foundation		1,000	-	(1,000)	-	-
Base John Laing Charitable Trust		-	30,000	(5,000)	-	25,000
Covid-19 donations		-	201,260	(201,260)	-	-
Health and Hygiene Equipment		-	15,000	(15,000)	-	-
Smallwood Trust		2,657	-	-	-	2,657
Persula Foundation		2,000	-	(2,000)	-	-
Anonymous funder		46,352	-	(46,352)	-	-
Beatrice Laing Trust		18,666	-	(18,666)	-	-
		77,495	246,260	(296,098)	-	27,657
<b>Total restricted funds</b>		<b>76,446</b>	<b>498,763</b>	<b>(550,631)</b>	<b>-</b>	<b>24,578</b>

## Notes to the financial statements

For the year ended 30 June 2021

## 18b Movements in funds (prior year) (continued)

Unrestricted funds:	Note	At 1 July 2019	Income & gains	Expenditure & losses	Transfers	At 30 June 2020
		£	£	£	£	£
Designated funds:						
Community and Enterprise Investment						
Loan Fund		1,446,906	81,998	(18,799)	(500,000)	1,010,105
Capacity development Grants		425,237	-	(71,753)	378,032	731,517
HR project		5,000	-	-	(5,000)	-
IT project		55,000	-	(53,022)	48,022	50,000
Business planning		59,028	-	(26,564)	15,936	48,400
Emmaus International		45,000	-	(18,193)	(16,807)	10,000
Staff training		20,900	-	(20,900)	25,000	25,000
Sustainability research		10,000	-	-	(10,000)	-
Colstable Trust		-	-	-	-	-
Base Grants (Emmaus UK)		30,000	-	-	-	30,000
Companion training fund		50,000	25,149	(2,407)	-	72,742
Companion room expansion grant		268,565	70,693	(190,000)	-	149,258
Federation emergency fund		80,000	-	-	-	80,000
Emergency fund		-	-	-	500,000	500,000
Equipment for companions		-	-	-	5,000	5,000
Federation Health and safety		-	-	-	90,000	90,000
Tablets for trustees		-	-	-	5,000	5,000
Training for Executive leaders peer		-	-	-	25,000	25,000
<b>Total designated funds</b>		<b>2,495,636</b>	<b>177,841</b>	<b>(401,638)</b>	<b>560,183</b>	<b>2,832,022</b>
<b>General funds</b>	aa	<b>517,851</b>	<b>1,915,624</b>	<b>(1,449,113)</b>	<b>(560,183)</b>	<b>424,179</b>
<b>Total unrestricted funds</b>		<b>3,013,487</b>	<b>2,093,465</b>	<b>(1,850,751)</b>	<b>-</b>	<b>3,256,201</b>
<b>Total funds</b>		<b>3,089,933</b>	<b>2,592,227</b>	<b>(2,401,382)</b>	<b>-</b>	<b>3,280,779</b>

## Purposes of restricted funds

a	Charles Russell LLP	Charles Russell LLP contributed to the training fund for companions.
b	Anonymous funder	Anonymous funder contributed to the Companion Core Offer project development and delivery.
c	John Laing Charitable Trust	John Laing Charitable Trust contributed to the training fund for companions and to the Data Warehouse Project.
d	The Broyst Foundation	The Broyst Foundation contributed to the training fund for companions.
e	The Dulverton Trust	The Dulverton Trust contributed to the training fund for companions.
f	Companion room expansion grant (25th Anniversary Fund)	Fund contributes to the provision of new rooms at Emmaus communities.
g	Smallwood Trust	Smallwood Trust contributed to research and analyse provision for homeless women.
h	Corporates for Companion training	Corporate donations were made for the training fund for companions.
i	Persula Foundation	Restricted fund towards companion training.
j	Garfield Weston Foundation	Garfield Weston Foundation donated towards costs of the Companion Core Offer project.
k	Anonymous Funder	Donation for Emmaus Norfolk and Waveney
l	Beatrice Laing Trust	Beatrice Laing fund contributed towards salary of business development
m	Community and enterprise investment loan fund (Emmaus Fund)	See note 6
n	Capacity development grants (Legacy Fund)	Provides grants to support communities and groups with specific capacity development needs (see note 6).

**Purposes of designated funds**

o	HR project	Project now closed. In 2019/20 it was used to strengthen and maximise the potential of our existing staff teams and to streamline our recruitment process.
p	IT project	Emmaus UK funded communities IT equipment and network development and maintenance. In 2020–21, designated fund will contribute towards basic IT maintenance cost for Emmaus communities and equipments to the new communities who want to join our IT infrastructure.
q	Business planning	This project is created as part of strategic planning, gender equality research and development, development of social return to investment.
r	Emmaus International	Emmaus International has funds designated for £10,000 contribution to the president's costs, Emmaus Solidarity fund of £25,000 which contributes towards solidarity initiatives or appeals from Emmaus International and Europe. Emmaus UK contribution towards trip to France for Emmaus communities.
s	Staff training	Emmaus UK is committing toward staff professional development through Psychologically Informed Environment training delivery to all staff with reflective practise over two years. 2019–20 was the final year of PIE training project. Emmaus UK has provided general resources to improve EDI awareness and staff wellbeing.
t	Web development	The emmaus.org.uk website is currently in need of renewal, having been developed five years ago.
u	Safeguarding consultancy	Research into safeguarding policies and implementation
v	Strength based approach	Monitoring and availabition project based on strenght.
w	Base grants	Funding for new models of social enterprises.
x	Companion training fund	Designated fund to support trainings and development opportunity for companions
y	Companion room expansion grant	Funding to increase number of companion rooms that are available within communities
z	Federation emergency fund	Designated funds to support the restructure of its communities
aa	General fund	The general fund incorporates a reserve being approximately equivalent to 3 months' operating costs.
ab	Emergency fund	Designated to support communities through Covid-19 pandemic
ac	Equipment for companions	Designated for IT equipment to support companions engagement with training and the peer group
ad	Federation Health and safety	Designated to support communities with Health and Safety advice and guidance.
ae	Tablets for trustees	Designated for trustees communication and engagement.
af	Training for Executive leaders peer group	Designated to facilitate training and development of the Emmaus communities Executive leaders peer group
ag	Base John Laing Charitable Trust	Support for new models of social enterprises in Emmaus communities.
ah	Anon	Campaign specific online donations launched to help Emmaus companions in communities with training and development
ai	Health and Hygiene Equipment	Campaign specific donations for supporting Emmaus communities to fund their PPE equipment
aj	The Freemasons's Charitable Trust	Support for communities for PPE
ak	Aldo Trust	Campaign specific online donations launched to help Emmaus companions in communities with training and development
ap	Calypso Browing Trust	Donation towards Covid emergency fund for communities
al	Environment Audit	New project across all communities
am	Strategic plan	Monitoring, coordination and evaluation of the strategic plan 2020–2025
an	IT tender	Consultancy support for tendering for IT services
ao	Women's group	New project to explore female access to services
ap	Anonymous donor	Donation for Emmaus Lambeth
aq	Recycling and environmental initiatives	In memory of colleague

Notes to the financial statements

For the year ended 30 June 2021

**19 Operating lease commitments payable as a lessee**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2021 £	2020 £
Less than one year	-	21,298
	<u>-</u>	<u>21,298</u>

**20 Capital commitments**

At the balance sheet date, the charity had no capital commitments (2020: £nil).

**21 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**22 Post Balance Sheet Events**

Following the year end, Emmaus UK has received the residual legacy income value of £361,709 which will be recognised in accordance with the accounting policy in 2021/22 financial year.