

EMMAUS MEDWAY LIMITED

ANNUAL REPORT AND ACCOUNTS

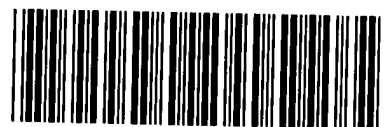
FOR THE

YEAR ENDED 30 JUNE 2020

Charity no. 1118924

Company no. 5947283

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EMMAUS MEDWAY LIMITED

Registered no 5947283

Report and accounts for the year ended 30 June 2020

The Directors and Trustees are pleased to present the report and accounts of Emmaus Medway for the year ended 30 June 2020

Governance and management

The company was registered on 26 September 2006 as a company limited by guarantee and was registered as a charity (no 1118924) on 24 April 2007. Emmaus Medway is affiliated to Emmaus UK (Charity no 1064470). The company is described as a charity in this report.

Emmaus Medway exists to provide the organisation and premises for, and to supervise the operation of an Emmaus community, of which there are over 400 worldwide and more than thirty in the UK. Each community is an independent charity but affiliated to (in the UK) Emmaus UK and to Emmaus International. The way in which an Emmaus Community operates is described on the following page.

Emmaus Medway leases a property from MHS Homes, which houses up to 24 Companions, and runs two shops mainly selling donated second hand furniture. There is a board of Trustees which is the governing body of the charity providing overall direction to the charity. Day to day management is delegated to paid staff led by a Director (who is however not a director or Trustee of the company).

Trustee meetings are held at least quarterly with the Director in attendance. There are board committees for finance and property which meet on an ad hoc basis and report to the board.

The trustees are also the members of the charity. The only other member is Emmaus UK. A third of the trustees retire each year and are eligible to stand for re-election at the Annual General Meeting. New trustees must be nominated by an existing trustee or member. No bodies or other individuals are entitled to nominate or appoint trustees.

The Board is alert to the need to refresh the Trustee body from time to time and to ensure the appropriate mix of skills and experience on the Board. Identified candidates are provided with appropriate documentation about Emmaus, including its financial position, visit the Community and shops, meeting staff and companions, and are invited to Trustee meetings to observe how our governance works. This approach ensures a mutual agreement about any appointment.

EMMAUS MEDWAY LIMITED

Report and accounts for the year ended 30 June 2020 (continued)

Directors and Trustees

The following were directors and trustees of the charity during the year and at the date of these accounts:

Godfrey Featherstone (Chairman)

Alan Gibbins (Hon Treasurer and Company Secretary)

Paul Fletcher (resigned 20 November 2019; reappointed 13 March 2020)

Anthony Blackman

Lee Georgiu (resigned 20 November 2019; reappointed 13 March 2020)

David Park

Sadia Choudry (resigned 20 November 2019)

No trustee charged expenses during the year.

The resignations were to facilitate the merger with another Emmaus Community. In the event this did not take place and certain of the trustees were reinstated. The reinstatements bring Emmaus Medway into line with the requirements of its Articles of Association.

Management, advisers and bankers

Director of Operations responsible for the day to day management of Emmaus Medway: Chris Francis. Chris subsequently left the company in October 2020

Consultant advising Emmaus Medway on strategic opportunities (including property and staff): Martin Sissons

Independent Examiner: Richard Davis, Chartered Accountant, Chartham Hatch, Kent

Bankers: CAF Bank, Kings Hill, West Malling, Kent and HSBC, High Street, Chatham

How an Emmaus Community works

Emmaus communities provide otherwise single homeless people with a place to live and work, with the intention that each community shall, after an initial period, be self-supporting. Admission is open to all provided that a vacancy exists and, once installed, members of the community may stay for as long or as short a time as they wish provided that they follow the community's simple rules of showing respect for others, maintaining the community premises totally free from alcohol or drugs and working for the benefit of the community. Failure to observe the rules can mean that an individual is barred from all Emmaus UK communities for a specified length of time.

A member of the community ("Companion") is provided with housing, food and clothing and a small amount of money each week for personal use. A further smaller amount is set aside as money to be available when the companion leaves or after a period in the community for a holiday break.

EMMAUS MEDWAY LIMITED

Report and accounts for the year ended 30 June 2020 (continued)

How an Emmaus Community works (continued)

Until recently, only Housing Benefit was claimed by way of state benefits and this is retained by the charity. In 2020 we have been encouraging Companions to move on to Universal Credit but with Emmaus Medway continuing to receive Housing Benefit. This changed model has so far been working successfully.

The business of Emmaus communities is centred on recycling goods for which their original owners have no further use; the goods may be given directly or be given as part of house clearances. Goods are collected, prepared as necessary and sold through shops operated by companions.

Activities and results for the year

There have been a number of major events providing the backdrop to the charity's activities in the last year as we have sought to maintain an Emmaus presence in Medway

Key to maintenance of that presence is having suitable accommodation for Companions and a sound financial basis to sustain that accommodation. As explained further below, the Trustees have struggled to achieve these key requisites.

Accommodation

Cherry Tree House has provided accommodation for up to 24 Companions since we opened our doors in 2011. The property is leased from MHS Homes, which has waived the lease payments for the last three years, making a significant contribution to our financial position. However, the property is now old and coming towards the end of its life, and MHS Homes has given notice that we should vacate the property by or soon after 31 March 2021. Our search for alternative accommodation has not borne fruit.

Finances

At the end of 2019 Emmaus UK forgave loans totalling £95,000, thus eliminating our deficit on reserves. At the same time we explored, together with Emmaus UK, the possibility of Emmaus South Lambeth, which has a very healthy balance sheet, subsuming our activities. However, negotiations were ultimately unsuccessful and we have fallen back on our own resources. Subsequently our finances have been aided by the impact of Covid-19 policies put in place by the government (see below), but this obviously does not provide a long term solution.

Covid-19

The impact of the pandemic on our activities has been notable. In accordance with Government requirements the Chatham and Sittingbourne shops were closed in March and we have furloughed staff as necessary. Within weeks of closing the stores we received Business Interruption grants of £25,000 for each store and over £5,000 in furlough payments. These amounts stabilised our finances as we closed the 2019/20 financial year but, again, do not provide a long term solution.

EMMAUS MEDWAY LIMITED

Report and accounts for the year ended 30 June 2020 (continued)

Activities and results for the year (continued)

Some features of our response have been that: Nikki Williams, our Operations Manager, moved into the community full time to give greater support to Companions; we have increased spending on food and cleaning products; although we have had false alarms with people reporting symptoms of the virus, these have come to nothing. We nevertheless remain very vigilant to the threat

The reaction of the vast majority of Companions has been extremely encouraging with most complying to government directives on social distancing and other lockdown conditions. Companions have also risen to the occasion as we have reopened the Chatham shop when lockdown rules allow,, ensuring appropriate cleaning, routes through the store and management of customers

Staffing

In February 2020 Martin Sissons stepped back by mutual agreement from his role as Director but remains involved in running the organisation as a consultant.

As noted above, Chris Francis, our Director of Operations, left the company in October 2020..

Other members of the team are Nikki Williams (Operations manager); Phil Sissons (accounts and social media/marketing); Dan Adie as driver and Steve Blakelock who joined the team on 1 June as Support Worker.

Keith Norton, the shop manager at Sittingbourne, left at the end of March. Goran Cvetkovic provided fundraising support for a period of six months in 2019.

Phil and Dan were furloughed, coming back to work at the beginning of June 2020

Companions and Community

During this financial year, Emmaus Medway received ninety-eight referrals, with 30 places offered and accepted, with the vast majority of referrals coming from Medway (twenty two with a local connection). A feature of the pandemic has been that there has been a decline in referrals, particularly suitable referrals, such that our occupancy rate, having been at capacity until March 2020 is now at two-thirds, the lowest rate for some years. We anticipate referrals to return to normal as statutory provision becomes less widely available.

We are pleased to report a number of success stories which we consider merit being told here:

*MM came to live with the community having been sleeping rough for a number of months following the death of her husband. She had lost a lot of weight, confidence and had fallen into bad health, mentally, physically and with regards to her teeth. She had lost a lot of confidence and could not face the shame of telling her grown up children what had happened. Since arriving at Emmaus she has faced up to all her health issues (some are still ongoing), regained her confidence

EMMAUS MEDWAY LIMITED

Report and accounts for the year ended 30 June 2020 (continued)

Companions and Community (continued)

(she was a lead in our shops), and reconnected with her family. She left the community to be closer to her family, starting a new job and living independently.

*DG has had a long history of being taken advantage of by unscrupulous landlords and family members. He came to us following another such incidence where he was being bullied out of his benefit payments. While living with Emmaus he addressed his desire to stop smoking, bad dental problems and became a valued member of the crew in the Chatham shop, before moving out to live with a good friend, a long-term Companion he had met while living at Emmaus Medway.

*MP came to live at Emmaus in Hastings directly after leaving the care system. He spent nearly 4 years there before transferring to live at Emmaus Medway. He was a well-liked and confident young man, able to turn his hand to all aspects of community life, but faced some barriers in terms of moving out of the Emmaus bubble and into independent living. We worked with him to gain experience of life outside of Emmaus by allowing him to work at the local community radio station, which seemed really to drive him on to living independently. He found a job working at a theme park and moved out midway through 2019, making that big final step. He remains in contact with the friends he made at Emmaus Medway updating us regularly on his new life.

*MB was sleeping rough in Ashford, with a severe drinking problem. She spent some time with the local winter night shelter before being referred to Emmaus Medway. She vowed to remain abstinent from alcohol, began attending our in-house counselling sessions and slowly began re-engaging with her family. After spending c 18 months with us, throughout which she did not drink a drop, she had rebuilt her family ties to such an extent that she was asked to move in with her son and his family to help with childcare.

Financial results

Overall the accounts show a surplus for the year of £116k, including the £95k Emmaus UK loan written off. The net surplus of £21k compares with a loss of £43k in the previous year

Shop income has declined from £142k to £97k principally as a result of closing the Rochester High Street store in 2018/19 when it made sales of £32k. Sittingbourne sales showed a decline of nearly 20% to £39k and the shop income no longer covered its costs. Accordingly, we gave notice on that shop and exited the lease at the end of 2020.

Housing benefit at £187k is broadly comparable with the prior year (£198k) allowing for fluctuations in Companion numbers.

EMMAUS MEDWAY LIMITED

Report and accounts for the year ended 30 June 2020 (continued)

Financial results (continued)

Donations and Grants of £154k excluding the Emmaus UK debt forgiveness of £95k (2019 £50k), have been fundamental to the result for the year. These include £50k of Business Interruption grants from Medway and Swale Councils, restricted grants for £30k and unrestricted donations of £65k which include £10k from the MHCLG Homelessness Response Fund. Sources of donations are described further below.

Total costs for the year amounted to £428k, not significantly different to £440k in the prior year.

Future Plans

Our plans were until the end of 2020 focussed on:

- *maximising income and managing costs, including moving most Companions on to Universal Credit and surrendering the lease on the Sittingbourne shop
- *searching for new Community premises and for the necessary support to pay any associated rent
- *beginning to work more with other related charities such as Sunlight Development Trust where Martin Sissons is now the Chief Executive Officer, on areas of mutual support and cost saving

As the period since the last financial year end has progressed, it has become clear to the Trustees that without suitable accommodation to replace CTH; and with the continuing lockdowns and therefore closure of the Chatham store as the Covid pandemic is slowly brought under control, resulting in lost income with much lower government subvention than in the spring of 2020; the company has no alternative but to wind down its operations.

The company has important assets in its employees and the Chatham store, but also significant liabilities principally for the lease at Chatham which runs to July 2024, but also costs for utilities at CTH and for employee salaries. The trustees are confident that a careful wind down can be achieved, working with Sunlight which it is planned will take over the lease and lease liability at Chatham, and most of the Emmaus Medway staff. The Trustees are of the view that there is equal value to both parties in this arrangement. During the 2021-22 financial year the company will become dormant.

A detailed wind down plan has been developed, in particular for finding suitable alternative accommodation for companions, and the Trustees of Emmaus Medway and Sunlight are working

EMMAUS MEDWAY LIMITED

Report and accounts for the year ended 30 June 2020 (continued)

Future Plans (continued)

together to achieve the best result for all concerned. The plan is now being put into effect and should be achieved by the middle of 2021.

Funding

As noted above, we have received significant grants and donations in the year. Government and Emmaus UK contributions have been significant and have been described above. We are most grateful for these. Additionally we have received significant donations for a number of private and charitable sources including: Lloyds Bank Foundation; Yorkshire Bank; the Dulverton Trust; Tesco/ Groundwork; Crisis; St John's Church Meopham; Mrs C Sissons; Co-Op Community Fund; WH&A Hawkins Charitable Trust; the Grocers Charity; Mrs Smith ; Rotary Rochester; and many others. We would like to acknowledge the generosity of so many people, particularly in the aftermath of the pandemic. MHS continues to handle our payroll and we are most grateful for that.

Going concern

The Trustees are mindful of the funds required to support the Community and to achieve a solvent wind down. Our projections show that we will be able to trade and to meet our liabilities as the wind down proceeds.

Public benefit

The Trustees have had regard to Section 4 of the Charities Act 2011 to have due regard to the guidance provided by the Charity Commission on public benefit and report as follows:

*Emmaus Communities provide a home, shelter and meaningful work for their members. Companions, many of whom come to Emmaus as a result of homelessness, relationship breakdown, unemployment and debt, alcohol or drug abuse. Many join the Community as a result of social exclusion and poverty –related issues.

*The environmental benefits to the public are that Emmaus Communities encourage reuse and recycling and each Community saves many tonnes of waste from landfill each year.

*The work of the Community benefits the wider community by selling second-hand donated goods at very reasonable prices.

Risk management

The Trustees confirm that they have carried out a review of the major risks that the charity presently faces, and have considered the necessary procedures to minimise any potential impact should those risks materialise. These include the identification and mitigation of all perceived risk of physical accident which could harm Companions, staff, Trustees, the general public or the fabric

EMMAUS MEDWAY LIMITED

Report and accounts for the year ended 30 June 2020 (continued)

Risk Management (continued)

of the Community. Financial risks are dealt with elsewhere in this report and include the risk that the company might not be able to meet its liabilities as they fall due.

Trustees' responsibilities in relation to the financial statements

Company law requires the Trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial period and of its surplus or deficit for the financial period. In doing so the Trustees are required to:

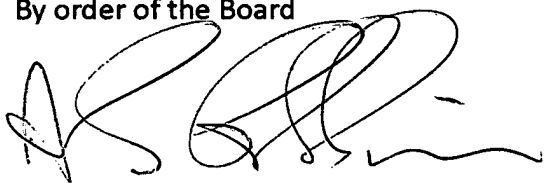
- Make sound judgements and estimates that are reasonable and prudent; and
- Select suitable accounting policies and apply them consistently;
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charity will not continue in business

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent examiner

The Trustees are most grateful to Richard Davis FCA for agreeing to be the Independent Examiner of Emmaus Medway.

By order of the Board

A handwritten signature in black ink, appearing to be 'AB Gibbins', written over a horizontal line.

AB Gibbins

8 February 2021

EMMAUS MEDWAY LIMITED

Independent examiner's report to the Trustees of Emmaus Medway Limited

I report on the accounts of the company for the year ended 30 June 2020, which are set out on pages 11 to 18

Respective responsibilities of trustees and examiner

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'). The Trustees consider that an audit is not required for this year under part 16 of the 2006 Act and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- Examine the accounts under section 145 of the Charities Act;
- Follow procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and
- To state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

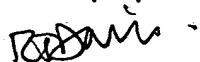
In connection with my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect :

- accounting records were not kept in accordance with Section 386 of the Companies Act 2006; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP(FRS 102)

EMMAUS MEDWAY LIMITED

Independent examiner's report to the Trustees of Emmaus Medway Limited (continued)

I have no concerns and have come across no other matters to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached



RJ Davis FCA, TEP
Hoppers Oast
Chartham Hatch
Canterbury
CT4 7LP

8 February 2021

EMMAUS MEDWAY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure account) FOR THE YEAR
ENDED 30 JUNE 2020

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2020	2020	2020	2019 (note 17)
	£	£	£	£
Incoming resources				
Incoming resources from generated income:				
Donations and grants (Notes 5,13)	218,880	30,268	249,148	49,749
Activities for generating funds:				
Shop income (note 6)	96,509	0	96,509	141,665
Investment income(interest)	0	0	0	8
Incoming resources from charitable activities:				
Housing benefit and rent	187,425	0	187,425	198,370
Surplus on sale of Rochester lease	0	0	0	7,629
Other	<u>11,071</u>	<u>0</u>	<u>11,071</u>	<u>110</u>
Total incoming resources	<u>513,885</u>	<u>30,268</u>	<u>544,152</u>	<u>397,523</u>
Resources expended				
Costs of generating funds:				
Fundraising trading	171,874	2,786	174,660	189,645
Charitable activities	251,926	1,579	253,505	250,793
Governance costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total resources expended (Note 7)	<u>423,800</u>	<u>4,365</u>	<u>428,165</u>	<u>440,438</u>
Net income (expenditure) for the year	90,085	25,903	115,987	-42,915
Funds brought forward	<u>-90,277</u>	<u>0</u>	<u>-90,277</u>	<u>-47,362</u>
Funds carried forward	<u>-192</u>	<u>25,903</u>	<u>25,710</u>	<u>-90,277</u>

EMMAUS MEDWAY LIMITED

BALANCE SHEET AS AT 30 JUNE 2020

	2020	2019
£	£	
Fixed Assets (Note 9)	<u>0</u>	<u>0</u>
Current Assets		
Debtors (Note 10)	719	20,965
Cash at bank and in hand (Note 11)	<u>64,491</u>	<u>55,830</u>
	65,210	76,795
Creditors: amounts falling due within one year (Note 12)	<u>39,500</u>	<u>72,072</u>
Net current assets	<u>25,710</u>	<u>4,723</u>
Net assets	<u>25,710</u>	<u>4,723</u>
Unrestricted funds		
Loan from Emmaus UK (Note 15)	0	95,000
Other	-192	-90,277
Restricted funds	<u>25,903</u>	<u>0</u>
Total funds (Note 14)	<u>25,710</u>	<u>4,723</u>

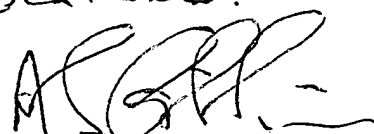
The notes on the following pages form part of these financial statements.

Signed:



Godfrey Featherstone-Chairman

8 February 2021



Alan Gibbins-Hon Treasurer

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the Provisions of Section 477 of the Companies Act 2006 and members have not required the Charity to obtain an audit of its accounts for the year ended 30 June 2020 in accordance with Section 476 of the Act. The Trustees acknowledge their responsibilities for ensuring that the Charity keeps accounting records which comply with Section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the Charity at 30 June 2020 and of its results for the period then ended in accordance with the requirements of Section 396 of the Act and which otherwise comply with the requirements of the Companies Act relating to the accounts as far as applicable to the Charity.

EMMAUS MEDWAY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
£	£	
Net funds (used in) operating activities per statement of financial activities	115,987	-42,913
Adjustments for:		
Emmaus UK loan forgiven	-95,000	0
Depreciation charges (Note 9)	0	3,883
Surplus on sale of fixed assets	0	-7,629
(Increase)/decrease in debtors	20,246	-9,812
Increase/(decrease) in creditors	<u>-32,572</u>	<u>31,001</u>
Net cash (used in) operating activities	8,661	-25,470
Cash flows from investing activities		
Sale (purchase) of fixed assets	0	43,787
Change in cash and cash equivalents in the year	8,661	18,317
Cash and cash equivalents at the beginning of the year	<u>55,830</u>	<u>37,515</u>
Cash and cash equivalents at the end of the year (Note 11)	<u>64,491</u>	<u>55,830</u>

EMMAUS MEDWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1.Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Charities Act 2011, the Charities SORP 2015 (FRS 102), applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

1.2 Incoming resources

Voluntary income including donations, gifts and legacies and grants provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Gifts donated for resale, principally furniture, are included as income when they are sold, as the Trustees consider it impractical to measure the fair value of goods donated, and also that the costs of valuation would outweigh any benefit to the charity.

Legacies, including payments on account, are recognised in the accounts when it is probable that the legacy will be received and the amount can be ascertained.

Investment income is recognised on a receivable basis.

1.3 Volunteers and donated services and facilities

The value of these services and facilities is not incorporated into these financial statements. Some details are given in the Trustees' report.

1.4 Resources expended

Expenditure is recognised when a liability is incurred. Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

1.5 Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Assets costing less than £2,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost of capitalised fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

EMMAUS MEDWAY LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
(continued)

- Shop lease	Life of lease (10 years)
- Leasehold improvements expenditure	Over remaining life of lease from date of
- Motor vehicles	33% per annum

1.7 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

1.8 Fund accounting

Unrestricted funds , which have not been designated for other purposes , are available for use at the discretion of Trustees in furtherance of the general objectives of the charity . Restricted funds have been donated for specific expenditures and are strictly applied only to such expenditures.

1.9 Pensions

Emmaus Medway participates in the defined contribution Flexible Pension plan administered by the Pensions Trust. Enrolment has been automatic from February 2017.

1.10 Holiday pay

The holiday year runs on a calendar basis. The charity has reviewed the pattern of holidays taken by staff and concluded that there is no significant liability (or asset) at the financial year end.

1.11 Going concern

The trustees are satisfied that the charity is a going concern, able to pay its liabilities as they all due over the next year. Refer to Trustees report for details.

2. Legal status of the charity

The charity is a company limited by guarantee and has no share capital.

3. Investment income

All of the charity's investment income arises from an interest bearing account.

4. Taxation

The company is a registered charity and no provision for taxation is considered necessary. As a charity the company is exempt from taxation on donated goods and income falling within section 505 of the Taxes Act 1988.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (continued)

5. Donations

	Unrestricted	Restricted (note 13)	Total	2020 Total	2019
	£	£	£	£	
Emmaus UK-loan written off	95,000	0		95,000	0
Donations including Gift Aid	<u>123,880</u>	<u>30,268</u>		<u>154,148</u>	<u>49,749</u>
	<u>218,880</u>	<u>30,268</u>		<u>249,148</u>	<u>49,749</u>

Donations include £30,000 from the Honorary Treasurer (2019 £20,000)

6. Activities for generating funds (all unrestricted)

Sales of furniture:	Rochester	0	31,648
	Chatham	55,756	59,417
	Sittingbourne	39,296	48,461
House clearances, removals and other sales		<u>1,456</u>	<u>2,139</u>
		<u>96,508</u>	<u>141,665</u>

7. Total resources expended

	Basis of allocation	Charity shops	Community		
		£	£	£	£
Companion allowances	Direct	0	76,108	76,108	84,283
Food and household	Direct	0	25,680	25,840	16,180
Utilities inc Council Tax	Direct	5,665	39,612	45,277	41,644
Repairs and maintenance	Direct	416	11,726	12,142	21,684
Lease costs and rates	Direct	59,995	0	59,995	43,248
Other costs	Direct	23,770	3,855	27,465	49,115
Amortisation and depreciation	Direct	0	0	0	3,883
Vehicle costs	Direct	<u>20,388</u>	<u>0</u>	<u>20,388</u>	<u>34,950</u>
		110,234	156,981	267,215	294,987
Office costs	Pro rata	1,470	2,092	3,562	4,074
Salary costs	Staff time	<u>62,956</u>	<u>94,432</u>	<u>157,388</u>	<u>141,377</u>
		<u>174,660</u>	<u>253,505</u>	<u>428,165</u>	<u>440,438</u>

8. Net incoming/outgoing resources for the year

These are stated after charging :	Depreciation	0	3,883
	Fee for independent examination	0	0

Salary costs are shown above. No employee received emoluments in excess of £45,000 per year.

No Trustee received any remuneration or was reimbursed any costs incurred while on charity business during the year

EMMAUS MEDWAY LIMITED

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

9. Fixed Assets

	Vehicles £	Total £
Cost at 1 July 2019		
and 30 June 2020	<u>6,025</u>	<u>6,025</u>
Depreciation at 1 July 2019		
and 30 June 2020	<u>6,025</u>	<u>6,025</u>
Net book value at 30 June 2019	0	0
Net book value at 30 June 2020	0	0

10. Debtors and prepayments

	2020 £	2019 £
Debtors	719	10,965
Donations due	0	<u>10,000</u>
	<u>719</u>	<u>20,965</u>

Debtors in 2019 are mainly Housing Benefit due

11. Cash at bank and on hand

HSBC	58,223	52,517
Other CAF	5,341	1,838
CAF Gold	77	177
Other, including petty cash	<u>850</u>	<u>1,298</u>
	<u>64,491</u>	<u>55,830</u>

The CAF Gold account earns interest of 0.2% over annum (2016/17 0.2%). Other accounts are non interest bearing.

12. Creditors and other current liabilities

Salaries	23,500	54,000
Other creditors	<u>16,000</u>	<u>18,072</u>
	<u>39,500</u>	<u>72,072</u>

EMMAUS MEDWAY LIMITED

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

13. Restricted funds (cash)

	£	£	
Restricted funds at 1 July 2019			0
Donated in 2019/20			
Crisis- food items for Companions		2,800	
Dulverton via Emmaus UK-cleaning products		938	
Yorkshire Bank-welcome packs		1,030	
Lloyds Bank Foundation-marketing/salary		15,000	
Tesco/Groundwork-counselling		500	
MHCLG Homelessness Response Fund-core costs		<u>10,000</u>	
			30,268
Spent in year			<u>-4,365</u>
Restricted funds at 30 June 2020			<u>25,903</u>

14. Restricted charity funds

These are represented by:

	2020	2019
	£	£
Restricted cash	<u>25,903</u>	0

15. Creditors: amounts due after one year

In December 2019 Emmaus UK formally forgave its loans of £95,000. To show a more realistic financial position, these loans have been shown in the 2019 balance sheet as part of the company's unrestricted funds.

16. Commitments and contingent liabilities

The charity has been given notice by the landlord, MHS Homes , that the lease on Cherry Tree House will be ended on 31 March 2021. MHS Homes has waived the £40,000 annual rent on the property from 1 July 2018.

The Sittingbourne shop has a lease which requires 9 months notice of any decision to leave the premises. The earlier possible date is therefore 31 December 2020. The rent is £28,000 per annum.

The Chatham High Street shop has a lease which runs to July 2024 at a rental of £27,500 per year

Grants totalling £268,500 have been received since 2011 from Emmaus UK to assist with setting up the Rochester and Sittingbourne shops and with payment of salaries. This amount includes the £95,000 described above. These amounts have been taken to income in these accounts. However, the Trustees note that it is the Emmaus philosophy that Emmaus Medway should seek to make contributions to Emmaus UK up to this amount once it is in a position to do so. This is unlikely for the foreseeable future.

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

17. SOFA for 2019 showing restricted and unrestricted income and expenditure

Incoming resources	Unrestricted funds	Restricted funds	Total funds
	£		£
Incoming resources from generated income:			
Donations and grants (Note 5)	49,749	0	49,749
Activities for generating funds:			
Shop income (Note 6)	141,665	0	141,665
Investment income (interest)	8	0	8
Incoming resources from charitable activities:			
Housing benefit and rent	198,370	0	198,370
Surplus on sale of Rochester shop lease	7,629	0	7,629
Other	<u>110</u>	<u>0</u>	<u>110</u>
Total incoming resources	<u>397,523</u>	<u>0</u>	<u>397,532</u>
Resources expended			
Costs of generating funds:			
Fundraising trading	189,645	0	189,645
Charitable activities	250,793	0	250,793
Governance costs	<u>0</u>	<u>0</u>	<u>0</u>
Total resources expended (Note 7)	<u>440,438</u>	<u>0</u>	<u>440,438</u>
Net income (expenditure) for the year	-42,915	<u>0</u>	-42,915
Funds brought forward	-78,395	31,033	-47,362
Funds transferred on disposal of Rochester shop	<u>31,033</u>	<u>-31,033</u>	<u>0</u>
Funds carried forward (Note 14)	<u>-90,277</u>	<u>0</u>	<u>-90,277</u>