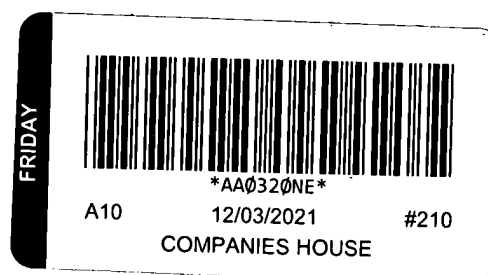


EMMAUS NORTH EAST
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 30 June 2020

Charity Number 1131408
Company Number 6820441



EMMAUS NORTH EAST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2020

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TRUSTEES ANNUAL REPORT

For the year ended 30 June 2020

The Trustees, who are also the directors of the Charity for the purposes of the Companies Act, submit their report and financial statements of Emmaus North East (ENE; the Charity) for the year ended 30 June 2020. The financial statements comply with the Charities Act 2011, the companies Act 2006, the Memorandum and Articles of Association and the requirements of Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable to the United Kingdom (FRS102).

Policies and Objectives

In setting the Charity's objectives, plans and activities, the Trustees have given due consideration to guidance published by the Charity Commission relating to public benefit and to its supplementary public benefit guidance.

The **medium - long-term objectives** for the Charity are;

1. to be financially self-sufficient, whereby the income generated from its operational activities cover all its operating expenses and negates the need for external funding or grants.
2. to increase the size of its Community facilities and Companion numbers, either by expansion of its present Stanhope Road residence, development of a further residence or the acquisition of "move on" flats for companions who are transitioning between residing in the community residence and independent living in their own accommodation.
3. to improve the opportunities for Companions to "move on" from ENE and gain worthwhile employment in the outside world.
4. to have ENE recognised as a major charity in the North East of England.

The Charity's **short-term objectives** are to;

1. further expand its retail operations, particularly On-Line sales.
2. expand its social enterprise workshop.
3. find and develop other income streams.
4. improve the training and development pathways ENE offers to its Companions.
5. further develop the brand image and awareness of ENE in North Eastern England, particularly South and North Tyneside and surrounding areas.

Once its objectives are achieved, the Charity will be in a strong position to support and fully contribute to the ethos and values of the Emmaus movement.

The overall Emmaus Movement (including Emmaus International).

The Emmaus movement and its 425 member organisations in Europe, Africa, Asia, and The Americas continue to engage at a local level with people who have experienced social

exclusion to access their fundamental rights and, through their collective action, demonstrate there are credible alternatives to injustice.

Emmaus in the UK.

The first UK Emmaus Community was established in 1992. Today 29 Emmaus communities are operational, with others in the course of development.

An Emmaus UK Community offers homeless people a chance to regain their self-respect through living and working in a supportive environment which combines residential accommodation with self-supporting social enterprises. These enterprises, mainly retail, are based largely on the collection and sale of donated goods as well as refurbishment and recycling of various goods and scrap materials in line with the principles of a circular, low waste economy.

Every UK Emmaus Community aspires to become self-sufficient through its social enterprise activities. Additionally, Emmaus Communities work with a "solidarity concept" whereby they help sister Communities by donating goods for sale in their retail outlets and financial support if needed.

Each Emmaus Community in the UK whilst being an independent legal entity commits to follow the values and ethos of the Emmaus movement as a whole.

Emmaus UK (EUK).

EUK is a federation for all Emmaus communities operating in the UK. With its head office in Birmingham, it provides support to Emmaus communities in the UK in a wide Range of areas. EUK is funded via its own fund raising activities plus fees from member Emmaus communities.

The **vision** of Emmaus in the UK is "*a world in which everyone has a home and sense of belonging*".

The **mission** of Emmaus in the UK is "*to work together to overcome homelessness and exclusion*".

Emmaus North East (ENE).

Established twelve years ago, ENE is a legally independent charity based in South Tyneside in North East England. It focuses upon providing support to homeless people and works within the Emmaus movement's ethos and values. ENE is a member of the EUK Federation and Emmaus International movement.

ENE aims to combat homelessness. It provides people with a home, work and encourages solidarity with others in a similar position. It gives Companions (those who live in the community) a choice and a chance. It welcomes people from all backgrounds and all causes of homelessness. ENE is supported by a wide range of funders and partners who provide both financial and in-kind support. This funding both supports the community and helps the ENE social enterprises grow and thrive.

ENE's vision is "*to help create a North East England where homelessness and hopelessness have been abolished*".

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ENE's mission is *"to enable homeless people in the North East rebuild their lives through social enterprises which also involve and enrich the local community"*.

ENE's operations are centred around its community residence in South Shields. This residence has rooms for 15 Companions.

The Charity provides safe accommodation, meaningful work and peer and pastoral support to its Companions. This way of working means Companions are able to recover their confidence and self-respect and make a fresh start to rebuild their lives. ENE tries to ensure all Companions are able to move onto independent living and employment when they are ready, but there is no time limit for this and Companions are welcome to stay in the community for as long as they like and need.

ENE focuses upon its companions and seeks to ensure they have a consistent core offer outlining the mutual expectations of both ENE and themselves. All Companions are enabled and encouraged to participate fully in ENE and its activities.

There are three critical features of ENE that make it different to some of the other support offered to homeless people:

ENE provides a home – Companions have a room to call their own and a place to call home alongside other people who understand their situation. The house has clear rules, meaning it provides a safe and secure environment for everyone.

ENE gives people focus, meaning and structure – Companions work a 40-hour week at ENE. This provides them with structure and a focus for each day and productive activity to engage with.

ENE judges people on today's actions not yesterday's – Companions have the opportunity to change and are given the chance to change. Emmaus North East will not work for everyone, but everyone is given a chance.

The residence operated at near full capacity over the 2019 / 2020 financial year.

Emmaus North East has three strands of delivery:

- *Home* – providing 15 Companions with community living at its South Shields residence.
- *Work* – all Companions work in the Charity's businesses and social enterprises. The Social Enterprises provide Companions with a structure and routine.
- *Solidarity* – ensuring all work provides opportunities for Companions to feel part of groups and to feel like they are part of something bigger.

In terms of its social enterprises, ENE operates three (3) retail outlets in various towns of the North East (Low Fell, South Shields and Hebburn), a fully equipped workshop in South Shields where furniture is upcycled and restored and various items made from wood are designed and produced, a membership-based food pantry (South Shields) for locally disadvantaged people, a house clearing service and an On-Line retail business.

Emmaus North East (ENE) - Review of achievements and performance in 2019 / 2020.

Brief Overview

- *COVID was the main challenge faced by the Charity in 2019 / 2020 and seriously impacted its operations in the latter part of the financial year.*
- *ENE management handled the COVID situation well. Pleasingly, no Companion or member of staff tested positive for COVID in the 19/20 financial year. (Note; this is still the situation at the time (February 2021) this report is being written).*
- *The financial support provided by the UK government (job retention & business interruption schemes) combined with the generosity of many companies and individuals evidenced by the number of financial grants and donations given to the Charity, were highly appreciated and made a positive financial impact on the Charity,*
- *Despite COVID, 2019 / 2020 was another positive year with further progress being made across all areas of the Charity.*
- *ENE's financial position continued to improve despite the challenges presented by the COVID situation.*
- *The community residence in South Shields operated at near full capacity (15 companions).*
- *The Reaching Communities project continued to have a measurable and positive impact on improving the "life skills" of the Charity's companions and volunteers.*
- *The new shop in South Shields, opened early in the 2019 / 2020 year, traded well and made a positive impact on the financial position of the Charity.*
- *An On-Line sales operation was started and showed positive signs of development in the financial year.*
- *The house kindly donated to the Charity by an outside benefactor in 2018 / 2019 was sold and the proceeds put into a special account designated for a house purchase in South Shields. This new house will be used to increase the number of Companions the Charity can support.*

During the period under review the Charity succeeded in further consolidating and developing its Community in the North East and building its social enterprises. This was done in addition to coping with the challenges of the COVID pandemic.

COVID appeared in early 2020, which was half way through the financial year. During "lockdown" periods, ENE's retail outlets and workshop were closed and associated staff furloughed. The Community at South Shields remained operational and Community staff remained in post although no new Companions were accepted. Due to the superb work of ENE staff, with excellent support and cooperation from the Companions, no member of staff or Companion contracted the virus. This was a welcome and outstanding achievement particularly considering the high number of infections in the South Tyneside area.

The Companions had differing experiences during the lockdown. Some they felt quite settled and comfortable with the lack of social contact. But for some Companions, addictive behaviour

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resurfaced. This was challenging to manage during the deepest part of shutdown as there were few additional support services available. However, the Companions experience of the shutdown was largely positive with a sense of solidarity from working together. The support staff also provided help, organising board games and other activities for people to get involved in.

During "lockdown" periods the Charity received strong support from the UK government through its job retention and business interruption schemes. This support was extremely welcome. Many companies and private individuals were also extremely generous throughout the year with extra grants and donations due to the COVID situation being received. In addition, ENE was successful with its "COVID appeal" and ENE benefitted when income from the appeal was distributed to Emmaus communities in the UK. Overall ENE received "additional and unexpected" income due to the pandemic of around £130K. This off-set the loss of income from our shops and workshop due to lockdown closures and enabled us not to make any staff redundant in these challenging times.

257 Stanhope Road, South Shields, the former Children's home acquired in December 2015 for conversion into an Emmaus residence and which became fully operational in February 2017, remains the centre and focus of ENE activities. In 2019 / 2020 full occupancy (15 companions) or close to full occupancy was achieved for significant parts of the year.

The primary beneficiaries of the work of ENE are its Companions who live in the community and work in the Enterprises ENE operates. ENE, however, also supports a much broader range of people. These include volunteers who help the running of the shop and workshop and the wider community, who are supported through activities like the Food Pantry, where low-cost food is provided to the community.

Demand for the services and opportunities ENE offer remains strong. The Charity also recognises that growing its Community means commensurately growing the range of businesses on offer to provide a sustainable income stream and to offer a range of opportunities for Companions.

As reported last year, in June 2018 ENE was successful in securing a grant from The National Lottery Community Fund - Reaching Communities (RC). The focus of the Charity's work with the RC grant has been the Charity's growth and development.

The RC project is progressing well. Following on from the progress described in last year's report and despite the drawbacks of dealing with the COVID situation, the Charity in 2019 /2020;

- *increased the size of its workshop to allow for higher quality, more consistent products to be produced.*
- *successfully gained funding to allow the workshop to be equipped with three new machines: an industrial quality table saw, turner and fixer and cross cut saw.*
- *opened a new shop in South Shields, Market Square allowing ENE to increase its geographic coverage and to expand the number of goods we can store and sell.*
- *continued and developed relationships with auction houses such that they used ENE as an outlet for their unsold goods.*
- *increased the range and number of house clearances the Charity carried out.*

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- developed the skills of shop staff, Companions and Volunteers to identify higher value goods and ensure they were appropriately priced.
- continued to develop the Food Pantry so it was available to the households who most needed it across South Shields.
- created an E-bay shop to sell products produced in the workshop.

A further key progress point has been the Charity's ability to offer Companions progression into paid roles in its organisation.

Figure 1 shows the progress the Charity has made towards achieving its RC targets relevant to both Companions and volunteers. In the two years the RC project has been running, ENE has worked with 95 people. Although this is slightly behind the plan for this stage of the project, the difference is entirely down to Covid-19.

As its shops and work places re-opened after lockdown ENE worked hard to create a COVID secure work place. Unfortunately, both the lock down and work place limitations meant a reduction in the number of volunteers the Charity was able to work with and collect data from. Outcomes relating to Companions are ahead of target, but those relating to volunteers are slightly behind. Our intention is to continue working with volunteers but we have to be realistic about what is possible and we may be slightly behind what we expect at the end of Year 3, depending on how quickly the Covid-19 restrictions ease.

Figure 1 - Progress towards Reaching Communities targets (targets relevant to volunteers and Companions)

Outcome	Change Indicators	3-Year Target	Progress Number*	Percentage of participants with data
Beneficiaries (Companions, volunteers, others) participating in structured volunteering and work opportunities and gaining transferable skills,	Beneficiaries show improved motivation and taking of responsibility	120	55	87%
	Beneficiaries show improved ability to make meaningful use of their time	120	52	83%
	Beneficiaries report having gained transferable skills, increased confidence, or raised aspirations	150	54	86%

**this is the number of people for who we have documented data they have achieved an outcome*

Figure 2 shows the progress we have made towards the Companions targets.

Figure 2 - Progress towards Reaching Communities targets (targets relevant to Companions)

Outcome	Change Indicators	3-Year Target	Progress Number*	Percentage of target
Companions engaging in a healthy lifestyle, are equipped to make positive life choices, and progress towards independent living	Companions show reduced problems with drugs and alcohol	15	14	
	Companions have less tendency to reoffend	15	17	
	Companions report improved management of physical, emotional or mental health	30	27	
Companions participating in communal living, develop social networks, integrate locally, and enjoy enhanced wellbeing and self-esteem.	Companions demonstrate better ability to manage self-care and living	30	27	
	Companions report improved social networks and relationships	30	26	
Companions that staying more than one month achieve independent living during the project period, (re)gaining independence and dignity.	Companions demonstrate improved ability to live independently	25	23	
	Companions report improved confidence in managing tenancies and accommodation	25	21	
	Companions report better ability to manage money	25	18	

The data helps show how the project supports people to make a difference in their lives. At Emmaus the focus is on providing a framework of support that allows a person to change. This comes not only from the support staff but also from Companions supporting each other.

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Everyone who lands at an Emmaus is on a journey. The reality for people struggling with addiction, mental illness or childhood trauma is this is rarely a straightforward journey. At ENE we support people who are determined to change but will often experience setbacks along the way. Not every person we support has a happy ending and not everyone succeeds on their first, second or third encounter with an Emmaus. But our ethos is to only judge in the present time and to give people periods of their life where they can experience meaning, purpose and hope.

Progressions are a key part of ENE and for many the progression involves securing their own tenancy.

Over the last 12 months the Charity has supported people with progression into employment, either with ENE or into other organisations. One Companion has been on a short-term secondment in Hull providing outreach work. Another Companion is now employed to support the Charity's marketing and PR activities.

ENE does not have a time limit on how long someone can stay and the turnover of Companions depends on many factors.

The Charity works with a wide range of partners to promote its activities and to reach the people who will benefit most from its work.

Volunteers and Companions also come to us from a wide variety of sources including their own recognition that it is time for a change.

ENE is pleased to report that its partnerships further developed over the year and these partnerships became a key part of the work the Charity's operation.

The Charity has a wide range of partners who contribute to different elements of ENE.

Referral Partners

Our referral partners work with us regarding referring people to become Companions or volunteers in the Charity. Our partners in this area include:

- DWP for referrals on work placements through the local job centres as the Charity is able to offer volunteer placements in its workshop and other enterprises. This allows both the recruitment of a large pool of volunteers to support our enterprises and helps people back into work.
- The Probation service. ENE works closely with the Probation Service providers in the local area. They are an increasingly valuable source of referrals for volunteers for our shops and other enterprises. The Charity has had considerable success retaining volunteers who have been referred through the probation service.
- Prisons – ENE works closely with HMP Northumberland to advertise the opportunity for both Companions and volunteers as people are approaching the end of their sentences.
- South Tyneside Home
- Humankind
- Shelter
- Blissability

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- Police

Operational partners

ENE's operational partners support its day-day operations. These partners include:

- Virgin Money – connection means people without ID can set up a basic bank account – means their allowance is paid into that and it helps them manage their money
- FareShare, Asda, Lidl – provide food for both our residential accommodation and our pantry
- MH Southernns – provide scrap wood for use in the ENE workshop.

Strategic Partners

The Charity plays an active role in local forums and with local partnerships and take part in the following forums:

- South Tyneside Church Action for Refugees
- South Tyneside Homelessness Reduction forum
- South Tyneside Regional Equalities Forum

Fund Providers

The Charity was also supported by many companies who gave grants to ENE during the year and also many private individuals. Major fund providers during the year were;

- Reaching Communities (National Lottery)
- Lloyds Foundation

In terms of marketing and communication ENE has an active Twitter account where the Charity posts about its work and thank the many generous donations we receive from the wider community. ENE's Facebook page allows the showcasing some of the products we create in the workshop. The ENE website provides a focus for all of the Charity's work and key announcements. This year the Charity saw a significant increase in usage of these social media tools along with significant interest in the Charity from local and regional papers.

This year we continued with the Charity's Community Newsletter and made this available across all our channels. This helped raise the profile of ENE's work across the wider community and informed people of the Charity's future plans and how they could get involved. ENE is still relatively unknown in North East England and raising awareness of the charity is important and will be a focus for us in the coming year.

A highlight of the year was ENE's work with the company Amber Productions to produce a film. This film charted the Companion's involvement in a photography project and exhibition and provided an opportunity for people to hear from the Companions in their own words about what Emmaus North East has done for them.

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In 2019 / 2020 the Charity's retail activities developed in a positive way despite COVID and the Associated lockdowns and closures. Retail sales at close to £140,000, were only slightly down on the previous year's level of £150K despite all the closures. The new shop in South Shields traded positively and achieved sales of circa. £30K in the few months it was operating.

Fundraising from external donors is and will remain an integral part of the Charity's activities going forward. The Trustees were satisfied with the amount raised in the year, namely £221,364 which was a significant increase compared to the 2018 / 2019 level of £171,920. This increase was driven by funding from a number of charitable foundations and trusts and was a recognition of the good work being carried out by the Charity.

Public benefit statement

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission for England and Wales in exercising their powers or duties.

The objects of the Charity are the alleviation of homelessness and relief of poverty, hardship and the distress they cause to those in need. Our aims for achieving this are:

- working with companions to realise their aspirations and potential
- developing and sustaining our social enterprise to provide work for companions and an income stream for the Charity.
- demonstrating organisational sustainability
- demonstrating operational sustainability.

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees:

Peter Churchill

John Machin (Chair)

Donald Pinchbeck

Julian Wenman

David Knox

Gemma Trainor

Siamak Kaikavoosi (appointed 22nd September, 2020)

Paul Evans (resigned 30th June, 2020)

Jennifer Atkin (resigned 30th March, 2020)

Alicia Clovis (resigned 17th February, 2020)

Chloe Watson (resigned 17th January, 2021)

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Key Personnel:

Community Manager
John Harrison

Finance Manager
Sandy Lambrou

Company Secretary
David Knox (appointed 1st July, 2020)
Paul Evans (resigned 30th June, 2020)

Company Registered Number
6820441

Charity Registered Number:
1131408

Registered Office:
257 Stanhope Road
South Shields, NE33 4RT

Independent Examiners:
Jim Dodds
Connected Voice Business Services
Higham House
Newcastle upon Tyne
NE1 8AF

Bankers:
HSBC Bank plc
110, Grey Street
Newcastle upon Tyne,
NE1 6JG

Emmaus North East (ENE) is a member of the Emmaus Federation in the UK (EUK) and a full member of Emmaus Europe and Emmaus International. ENE is also a full member of the EUK North West partnership; a group of Communities based in North West England who share best practice with each other.

Structure, governance and management

The Charity is a limited liability company being limited by guarantee and not having a share capital. It was registered in England and Wales under the Companies Act 2006 on 16 February 2009 and its governing documents are its Memorandum and Articles of Association. The Charity was registered as a Charity with the Charity Commission for England and Wales on 27 August 2009.

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The Charity is a member of the Emmaus Federation in the UK and a full member of Emmaus International and Emmaus Europe.

The Charity is also a member of the North West Partnership of Emmaus Communities. This organisation, centred on Emmaus communities in the North of England, meets regularly to discuss common issues and share best practice.

Emmaus UK organises and operates two important groups in which the Charity participates. The first group is the "*Chairs Peer Group*". Here, all Chairs of Emmaus communities in the UK have the opportunity to get together in the presence of senior Emmaus UK personnel to discuss issues relating to Emmaus in the UK in general and their own community. This group has met regularly during the year because of COVID – mainly fortnightly but often weekly. The second group is the "*Executive Leads Peer Group*". Here, all chief executives of Emmaus communities in the UK have the opportunity to get together in the presence of senior Emmaus UK personnel to discuss issues relating to Emmaus in the UK in general and their own community. Like the Chairs peer group, this group has also met frequently during the year to discuss all COVID related issues.

The direction and governance of the Charity is the responsibility of its Board of Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees who served during the period under review are shown on page 1.

2019 / 2020 did not see too many changes to the board or trustees compared to recent years. The Charity's company secretary and trustee (Paul Evans) resigned at the start of the New Year and was replaced by David Knox – an existing trustee of the Charity and one with a strong legal background. Unfortunately, it did not prove possible to appoint a Treasurer / Trustee and this role continued to be filled on an interim basis by the board chair, John Machin.

Jennifer Atkin, Alicia Clovis and Paul Evans resigned as trustees during the year. Chloe Watson resigned as a trustee in January 2021. Siamak Kaikavoosi was appointed as a trustee in September, 2020.

The Charity is committed to ensuring a proper balance between paying our staff fairly so that we attract and retain the best people for the job and careful management of our Charity funds. Since 2019 /2020 the Charity pays its relevant staff the Real Living Wage

The Board presently operates three sub-committees, an increase on one (1) from last year. As well as the already existing Fundraising sub-committee and Finance, Strategy and Enterprise sub-committee (which is chaired by the Chair of the ENE Board) the board has established a Property sub-committee to seek out properties the Charity could purchase to increase its size and the number of Companions it can accommodate.

Recruitment of Trustees

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

Trustee nominations either come from other Trustees within the Charity and its supporters or via open advertisement and must be approved by existing Trustees, in accordance with the Articles of Association. When specific skills are required, approaches are made to people with relevant expertise who are sympathetic to the ethos of the Charity. If necessary, a Trustee

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would be co-opted specifically to cover the requirement function. It is hoped to recruit around three new Trustees to the ENE board in the 2020 / 2021 financial year.

Each new Trustee is required to undertake an induction programme which includes briefings on their legal and ethical responsibilities as Trustees, the ethos and values of the Emmaus movement together with the governance, history and operation of ENE. It is intended to introduce annual appraisals of Trustees to measure their collective and individual performance and suitable training is offered in line with the NCVO Code of Governance.

The main Board meets each calendar month.

Financial review

Brief Overview.

- Considering the COVID situation the Charity's financial performance was extremely good in 2019 / 2020.
- Income of £588K in 2019 / 2020 – up 15% from the 2018 / 2019 income of £511K.
- Income was boosted by sale of the property donated to ENE last year. This sale raised £55K for ENE.
- Net income for the year of £121K – compared to a £115K last year.
- Total Funds carried forward of £876K – up £121K compared to last year.
- Income from grants £289K – significantly up from last year's level of £172K.
- Shop income of £140K down from last year's level of £150K but nevertheless a good performance considering the pandemic and closures due to lockdowns. Without lockdowns shop sales income was projected to be in excess of £180K.
- Housing Benefit Income of £135K - up 13% compared to last year.

Details

Income from charitable activities in the period of £288,604 (£171,920, 2018/2019) was due to some generous grants from several institutions, the details of which are shown in the financial statements attached.

The Charity's social enterprises (shops in Low Fell, Hebburn & South Shields), the workshop in South Shields and other activities such as house clearances and On-Line retail achieved combined sales for the year 2019/2020 of £144K – down from the £150K achieved in 2018/2019. The trustees considered this an above average performance considering the challenges by the pandemic and various lockdowns.

Housing Benefit received in the year was £131,475 compared to £119,737 in 2018 / 2019. This increase was driven by higher Companion numbers residing in the Stanhope Road residence during the year and a new housing benefit settlement agreed with South Tyneside Council.

Overall, for the year, the Charity incurred a surplus £120,881 which was an improvement compared to 2018 / 2019 when a surplus of £114,996 was recorded. Of this 2019 / 2020

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surplus, £15,766 (£28,180 in 2018/2019) came from restricted funds and £105,116 (£86,815 in 2018 / 2019) from unrestricted funds. This was a positive development for the Charity as it shows the Charity is creating cash which can be used for its own purposes.

The overall carried forward reserves of £875,952 (£755,071, 2018/2019) represents £157,314 (£56,070, 2018/2019) of restricted reserves and a balance of £718,638 (£699,000, 2018/2019), most of which is in relation to the property owned by the Charity. It is the Trustees' policy to hold a minimum of three months' expenditure in reserves. Within the restricted reserves, the Trustees have established a Property reserve of £70K to be used to fund the purchase of a new property to allow an increase in Companion numbers.

Capital Expenditure for the year was £8K, of which £4K was funded by grants and £4K was funded from the Charity's own resources. Capex in 2018/2019 was £29K.

Fixed costs again increased in 2019 / 2020 as a result of running Stanhope Road with more companions and investments in extra resources to grow the Charity, particularly its income from its social enterprise activities. Fixed costs for the year were £467,293, an increase of £71,471 (18%) over the previous year's expenditure. The Trustees are fully aware of the increasing cost base of the Charity. Expenditure is tightly controlled and monitored. However, the Trustees view the Charity being in a growth phase where significant investments are required – with the natural outcome of increased fixed costs. It is anticipated fixed costs should stabilise within the next 12 - 18 months.

Reserves policy

The Reserves Policy has been reviewed and updated by the Trustees. The objective of having an operational reserve equivalent to 3 month's operational costs still stands. This means the aim is to have £120,000 in reserves, although it will take some time to reach this level on a consistent basis. The Trustees monitor to maintain protection under the FSCS compensation scheme. Reserves will be built up using income achieved from the Charity's trading operations.

Investment policy

The Charity has the power under the Memorandum and Articles of Association to make any investment which the Trustees see fit. Given the level of funds generated to date and the early stage of the Charity's project to establish an Emmaus Community, it is considered appropriate to keep funds in a form that is immediately accessible.

Risk management

The Board of Trustees regularly review the risks the Charity may face and is satisfied that systems are in place to mitigate exposure. However, the Trustees recognise that as the project progresses further factors may arise and will undertake further reviews from time to time.

Principal risks and uncertainties

Short term, the principal risk facing the Charity centres around income. Should our retail outlets fail to develop and grow and should our fund-raising fall below expectation then this will put pressure on the finances of ENE.

Regarding retail, Operational and Finance management closely monitor on a monthly basis monthly and year-to-date sales through our KUDOS EPOS system which can follow sales on a daily basis from each of our outlets.

The Charity is active with special promotions etc to increase sales if necessary. The recruitment of an Enterprise (Business) Manager, has led to an improvement in ENE's commercial income generation.

Fund raising is closely targeted on funds which will support activities required by the Charity.

In the medium-term the Charity faces two main risks. Firstly, being able to pay for the extra resources funded by the Reaching Communities grant when this ends in around one years' time. It is essential the resources we have added create value by driving growth in the Charity's income generation so the Charity can fund these positions from its own resources upon cessation of the Reaching Communities grant.

Experience from Emmaus in the UK shows that for a community to be self-sufficient it should have a minimum of 20+ companions. This means ENE needs to expand its number of available rooms - which can only be done by acquiring further properties. ENE needs to expand its number of companions within the next 2-3 years. Failing to do so will place significant strain on the Charity's financial position.

Going concern

The financial statements have been prepared on a going concern basis. In making their assessment the trustees have reviewed and considered relevant information, including their annual budget and future cash flows. In response to the COVID-19 pandemic, the trustees have revised their forecasts to take into account measures that they can take with the current resources available to mitigate the impact of the current adverse conditions. The trustees are of the view that the immediate future of the charity for the next 12 months is secure and that on this basis the charity is a going concern.

Plans for the Future

The Charity's primary objective is financial self-sufficiency and a financial situation which will allow scope to ceaselessly work on the Charity's mission with regarding homelessness and giving Companions work, training and a sense of belonging; the opportunity to contribute.

Self-sufficiency will come from expanding the Charity's retail activities and creating higher added value products through its social enterprise workshop.

TRUSTEES ANNUAL REPORT
For the year ended 30 June 2020

Trustees' responsibilities

Company and Charity law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity and of the incoming reserves and application of reserves, including the income and expenditure of the charitable company for that period.

In preparing financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping 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 hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Independent Examiner

A resolution regarding the reappointment of Connected Voice Business Services Ltd as Independent Examiner will be proposed at the Annual General Meeting.

This report was approved by the Trustees on: 4th March 2021

and signed on their behalf by:

John Machin
Chair of the Board of Trustees



Peter Churchill
Trustee



EMMAUS NORTH EAST

(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 30 June 2020

I report on the financial statements of Emmaus North East for the year ended 30 June 2020, which are set out on pages 18 to 31.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ('the Charities 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 Fellow of the Association of Charity Independent Examiners.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the 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 statement

My examination was carried out in accordance with 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 the 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.

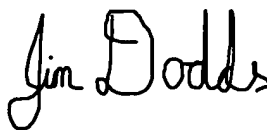
Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me 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 accord with such records; 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 (FRS102).

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

Jim Dodds
Connected Voice Business Services Ltd
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF
Date: 4th March 2021



EMMAUS NORTH EAST

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING SUMMARY INCOME & EXPENDITURE ACCOUNT)

For the year ended 30 June 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	6	20,425	125	20,550	67,539
Charitable activities					
Grants and contracts	7	67,241	221,364	288,604	171,920
Other trading activities	8	276,373	2,250	278,623	271,117
Investments	9	397	-	397	243
Total income		364,435	223,739	588,174	510,818
Expenditure on:					
Raising funds	10	143,120	-	143,120	190,859
Charitable activities					
Operation of the charity	10	205,549	118,623	324,172	204,963
Total expenditure		348,670	118,623	467,293	395,822
Net income/(expenditure)		15,766	105,116	120,881	114,996
Transfers between funds		3,872	(3,872)	-	-
Net movement of funds		19,638	101,243	120,881	114,996
Reconciliation of funds					
Total funds brought forward		699,000	56,070	755,071	640,075
Total funds carried forward		718,638	157,314	875,952	755,071

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

The notes on pages 21 to 31 form an integral part of these accounts.

BALANCE SHEET

As at 30 June 2020

	Notes	£	Total 2020 £	£	Total 2019 £
Fixed assets					
Tangible assets	18		793,793		868,892
Total fixed assets			793,793		868,892
Current assets					
Debtors	19	8,358		17,872	
Cash at bank and in hand	20	340,613		144,702	
Total current assets		348,970		162,575	
Creditors: amounts falling due within one year	21	(24,151)		(24,581)	
Net current assets			324,819		137,993
Total assets less current liabilities			1,118,612		1,006,885
Creditors: amounts falling due after more than one year	22	(242,660)		(251,815)	
Total net assets or liabilities			875,952		755,071
Funds of the charity					
Unrestricted income funds			718,638		699,000
Restricted income funds			157,314		56,070
Total funds			875,952		755,071

The company was entitled to an exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The notes on pages 21 to 31 form an integral part of these accounts.

These financial statements were approved by the Board on: 4th March 2021

and are signed on its behalf by:

John Machin
Chair



EMMAUS NORTH EAST

(A company limited by guarantee)

STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	2020 £	2019 £
<u>Cash flows from operating activities</u>		
Net movement in funds	120,881	114,996
Depreciation	27,863	21,537
Deduct interest income shown in investing activities	(397)	(243)
Decrease (increase) in debtors	9,515	589
(Decrease) increase in creditors	(430)	(7,561)
<i>Net cash from operating activities</i>	<u>157,432</u>	<u>129,318</u>
<u>Cash flow from investing activities</u>		
Purchase of tangible fixed assets	(7,764)	(84,152)
Sale of property, plant and equipment	55,000	9,750
Interest received	397	243
<i>Net cash used in investing activities</i>	<u>47,633</u>	<u>(74,159)</u>
<u>Cash flow from financing activities</u>		
Increase in long term loan	-	-
Repayment of borrowing	(9,155)	(11,945)
<i>Net cash used in investing activities</i>	<u>(9,155)</u>	<u>(11,945)</u>
 Increase (decrease) in cash and cash equivalents	 195,910	 43,213
Cash and cash equivalents at start of year	144,702	101,489
<i>Cash and cash equivalents at end of year</i>	<u>340,613</u>	<u>144,702</u>

The notes on pages 21 to 31 form an integral part of these accounts.

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts 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) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Emmaus North East meets the definition of a public benefit entity under FRS 102.

2.2 Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis. In making their assessment the trustees have reviewed and considered relevant information, including their annual budget and future cash flows. In response to the COVID-19 pandemic, the trustees have revised their forecasts to take into account measures that they can take with the current resources available to mitigate the impact of the current adverse conditions. The trustees are of the view that the immediate future of the charity for the next 12 months is secure and that on this basis the charity is a going concern.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other 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.

Income received in advance of the provision of a specified service is deferred until the criteria of income recognition are met.

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

3.4 Donated goods and services

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided that the value of the gift can be measured reliably. Donated services and facilities that are consumed immediately are recognised as income with the equivalent amount recognised as an expense under the appropriate heading in the SoFA.

3.5 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

3.6 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.

3.7 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

3.8 Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

3.9 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Charitable activities

Expenditure on charitable activities includes the costs of work with homeless people and other activities undertaken to further the purposes of the charity and their associated support costs.

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

4.3 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.4 Irrecoverable VAT

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

4.5 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.6 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing under £1,000 are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis, the charity does not currently have any tangible fixed assets:

Freehold Property	Straight line over 50 years
Leasehold Property	Straight line over six years
Fixtures, fittings and equipment	Straight line over six years
Motor vehicles	Reducing balance at 25% pa

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

Analysis of income

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
6 Donations and legacies				
Regular and ad-hoc donations	20,425	125	20,550	12,539
Donation of property	-	-	-	55,000
	<u>20,425</u>	<u>125</u>	<u>20,550</u>	<u>67,539</u>
7 Charitable activities				
<u>Income from grants</u>				
Sir James Knott Trust	-	20,000	20,000	-
The 1989 Willan Charitable Trust	-	10,000	10,000	-
Good Things Foundation	-	4,250	4,250	-
Nationwide Building Society - Community Grant	-	41,000	41,000	-
The Rank Foundation	-	21,535	21,535	-
Northumbria Police	-	2,200	2,200	-
Virgin Money Foundation - Community Resilience Fund	-	10,000	10,000	-
Homeless Link	-	10,000	10,000	-
The Barbour Foundation	-	10,000	10,000	-
Boxing Grant	-	-	-	-
Emmaus UK	-	9,829	9,829	7,902
Lloyds Bank Foundation for England & Wales	-	-	-	25,000
Reaching Communities England	-	70,000	70,000	120,000
National Lottery Awards for All	-	10,000	10,000	10,000
Clarion Futures	-	-	-	4,000
Other small grants less than £2,000	-	2,550	2,550	2,018
Government support Covid-19	45,000	-	45,000	-
HMRC Job Retention Scheme	18,236	-	18,236	-
<u>Other income</u>				
Other income	4,005	-	4,005	3,000
	<u>67,241</u>	<u>221,364</u>	<u>288,604</u>	<u>171,920</u>
8 Other trading activities				
Charity shop	143,545	-	143,545	150,073
Fundraising	1,354	2,250	3,604	1,306
Housing benefit	131,475	-	131,475	119,737
	<u>276,373</u>	<u>2,250</u>	<u>278,623</u>	<u>271,117</u>

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

Analysis of income continued

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
9 Income from investments				
Bank interest	397	-	397	243
	<u>397</u>	<u>-</u>	<u>397</u>	<u>243</u>

Income was £588,174 (2019: £510,818) of which £364,435 was unrestricted or designated (2019: £349,384) and £223,739 was restricted (2019: £161,434).

10 Expenditure

	Direct Staff Costs £	Direct Other Costs £	Support Costs £	Total 2020 £	Total 2019 £
Raising funds					
Charity shop	70,277	70,661	2,182	143,120	190,859
Charitable activities					
Community establishment	121,841	197,708	1,683	321,232	201,200
Governance costs	-	2,940	-	2,940	3,763
Total resources expended	<u>192,118</u>	<u>271,309</u>	<u>3,865</u>	<u>467,293</u>	<u>395,822</u>

Expenditure on raising funds was £143,120 (2019: £190,859) of which £143,120 was unrestricted or designated (2019: £190,859) and £0 was restricted (2019: £0).

Expenditure on charitable activities was £324,172 (2019: £204,963) of which £205,549 was unrestricted or designated (2019: £71,710) and £118,623 was restricted (2019: £133,253).

Support costs consist of the following:

	2020 £	2019 £
Premises and office administration	3,865	2,874
	<u>3,865</u>	<u>2,874</u>

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

11 Fees for examination of the accounts

	2020 £	2019 £
Independent examiner's fees for reporting on the accounts	1,600	1,600
Other accountancy services paid to the examiner	2,260	2,420
	<u>3,860</u>	<u>4,020</u>

12 Analysis of staff costs and the cost of key management personnel

	2020 £	2019 £
Salaries and wages	175,001	129,514
Social security costs	13,784	9,180
Pension costs (defined contribution pension plan)	3,362	3,662
	<u>192,147</u>	<u>142,356</u>

No employee received remuneration above £60,000 (2019: nil)

The key management personnel of the charity, comprise the the trustees and the Community Manager. The total employee benefits of the key management personnel of the charity were £41,145. (2019: £37,623).

13 Staff numbers

The average monthly head count was 9 staff (2019: 5 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2020 Number	2019 Number
The parts of the charity in which the employee's work		
Community Operations	5.0	2.0
Generation of Funds	3.0	3.0
	<u>8.0</u>	<u>5.0</u>

14 Transactions with trustees

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

In the period the charity has paid trustees remuneration and benefits.

Trustees indemnity insurance paid during the year amounted to £515 (2019 : £504).

Transaction(s) with related parties

There have been no related party transactions in the reporting period.

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

15 Pension Commitments

The Charity makes contributions to its employees' personal pension scheme.

The employees' pension contributions payable by the charity amount to £3,362 (2019: £3,662). There was £0 outstanding as at 30 June 2020 (2019: £0).

16 Corporation taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

17 Volunteer time

The Charity places a great value on the contributions that volunteers made to the organisation. Over the course of the year, we benefitted greatly not only from the considerable time, energy and expertise given by the Board of Trustees and the companions but other volunteers as well. Companions work for at least 40 hours each week within the Charity's commercial and social enterprises, mainly retail. The average number of companions with the Charity during the year was 12.

Other volunteers spend time on specific projects and events. Volunteers time was donated by 15 individuals during 2019/20, offering in the region of 3000 hours.

	Motor vehicles	Leasehold property	Fixtures fittings and equipment	Freehold property	Total
	£	£	£	£	£
18 Tangible fixed assets					
Cost					
Balance brought forward	20,450	20,777	46,871	855,918	944,016
Additions	-	-	7,764	-	7,764
Disposals	-	-	-	(55,000)	(55,000)
Balance carried forward	20,450	20,777	54,635	800,918	896,780
Depreciation					
Basis	RB	SL	SL	SL	
Rate	25%	16.7%	16.7%	2%	
Balance brought forward	5,154	20,777	17,157	32,036	75,124
Depreciation charge for year	3,824	-	8,021	16,018	27,863
Disposals	-	-	-	-	-
Balance carried forward	8,978	20,777	25,178	48,054	102,987
Net book value					
Brought forward	15,296	-	29,714	823,882	868,892
Carried forward	11,472	-	29,457	752,864	793,793

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

19 Debtors and prepayments (receivable within 1 year)

	2020 £	2019 £
Trade debtors	555	1,599
Prepayments	4,067	10,958
Other debtors	3,736	5,315
	<u>8,358</u>	<u>17,872</u>

20 Cash at bank and in hand

	2020 £	2019 £
Cash at bank and in hand	340,613	144,702
	<u>340,613</u>	<u>144,702</u>

21 Creditors and accruals (payable within 1 year)

	2020 £	2019 £
Sundry creditors	3,778	2,698
Accruals	2,940	3,528
Loan	16,333	16,333
Other creditors	1,101	2,022
	<u>24,151</u>	<u>24,581</u>

22 Creditors and accruals (payable after more than 1 year)

	2020 £	2019 £
Long term loan	242,660	251,815
	<u>242,660</u>	<u>251,815</u>

The loan is subject to interest at 4% and is secured on the company's property at Stanhope Road. Included within the loan is an amount of £210,000 repayable by instalments over 25 years commencing 30 June 2018 and an amount of £79,093 repayable by instalments over 5 years commencing January 2019.

	2020 £	2019 £
Between 2 and 5 years	65,332	65,332
After 5 years	177,328	186,483
	<u>242,660</u>	<u>251,815</u>
Within 1 year	16,333	16,333
	<u>258,993</u>	<u>268,148</u>

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

23 Operating lease commitments

At 30 June 2019 the charity had annual commitments under non-cancellable operating leases as follows:

Expiry date :	2020 £	2019 £
Within one year	14,250	14,250
Between one and five years	57,000	57,000
Greater than five years	28,500	42,750
	99,750	114,000

24 Events after the end of the reporting period

No events (not requiring adjustment to the accounts) have occurred after the end of the reporting period but before the accounts are authorised which relate to conditions that arose after the end of the reporting period.

25 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted funds					
General unrestricted fund	699,000	364,435	(348,670)	(66,128)	648,638
Designated fund					
Purchase of property	-	-	-	70,000	70,000
Totals	699,000	364,435	(348,670)	3,872	718,638

Purpose of unrestricted funds

General unrestricted fund

The 'free reserves' after allowing for designated funds

Designated funds

 Purchase of property

The trustees have designated £70,000 for the purchase of an additional property.

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

25 Analysis of charitable funds continued**Analysis of movement in restricted funds**

Restricted funds	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Emmaus UK	67	938	(667)	-	338
The Barbour Foundation	-	10,000	-	(1,593)	8,407
RWHA Charity Fund	-	1,650	-	-	1,650
Sir James Knott Trust	-	20,000	(12,630)	-	7,370
The 1989 Willan Charitable Trust	-	10,000	(10,000)	-	-
Good Things Foundation	-	4,250	(808)	-	3,442
Nationwide Building Society - Community Grant	-	41,000	(18,938)	-	22,062
The Rank Foundation	-	21,535	(7,193)	-	14,342
Hadrian Trust	-	500	(467)	-	33
Emmaus Base	-	5,000	(1,000)	(2,279)	1,721
Northumbria Police	-	2,200	-	-	2,200
Virgin Money Foundation - Community Resilience Fund	-	10,000	(2,402)	-	7,598
Homeless Link	-	10,000	(846)	-	9,154
Neighbourly Community Fund	-	400	-	-	400
Lloyds Bank	2,843	-	(2,846)	-	(3)
Big Lottery (Awards for All)	-	10,000	(4,299)	-	5,701
VMF - Ripple Fund - Social Enterprises	1,212	-	(1,165)	-	47
Reaching Communities	49,280	70,000	(52,091)	-	67,190
Clarion	2,553	2,250	(518)	-	4,285
Emmaus UK - KCS	115	4,017	(2,754)	-	1,377
Totals	56,070	223,739	(118,623)	(3,872)	157,313

Purpose of major restricted funds

Restricted funds represent income resources used for a specific purpose within the charity as identified by the donor.

Emmaus UK	Companion training courses.
The Barbour Foundation	Contribution to the costs of a delivery van and workshop equipment.
RWHA Charity Fund	Workshop equipment.
Sir James Knott Trust	Contribution to Salary costs for the Deputy Manager.
The 1989 Willan Charitable Trust	Contribution to Salary costs for the Deputy Manager.
Good Things Foundation	Companion training courses.
Nationwide Building Society - Community Grant	Contribution to salary costs for the Business Enterprise Manager and Community Manager.
The Rank Foundation	Contribution to salary Costs for the Marketing Officer.
Hadrian Trust	Workshop equipment.
Emmaus Base	Workshop equipment.
Northumbria Police	Mental health support.

EMMAUS NORTH EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

25 Analysis of charitable funds continued

Purpose of major restricted funds continued

Virgin Money Foundation - Community Resilience Fund	Contribution to salaries and operational costs.
Homeless Link	Contribution to core costs.
Lloyds Bank	Contribution towards the Community Managers salary.
Big Lottery (Awards for All)	Contribution towards cost of a delivery van.
VMF - Ripple Fund - Social Enterprises	Contribution towards shop assistant salaries.
Reaching Communities	Project workers salaries.
Clarion	Contribution to operating and running a foodbank.
Emmaus UK - KCS	IT support.

	Reason for transfer	Amount £
Between unrestricted and designated funds	Unrestricted funds allocated for the purchase of a property.	70,000
Between unrestricted and restricted funds	Value of fixed assets (woodwork machinery) transferred to unrestricted funds to be depreciated over the next six years.	3,872

26 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Tangible fixed assets	793,793	-	793,793	868,892
Cash at bank and in hand	183,299	157,314	340,613	144,702
Other net current assets/(liabilities)	(15,794)	-	(15,794)	(6,709)
Long term assets/(liabilities)	(242,660)	-	(242,660)	(251,815)
	<u>718,638</u>	<u>157,314</u>	<u>875,952</u>	<u>755,071</u>

27 Financial Instruments Note

	2020 £	2019 £
Carrying amount of financial assets		
Measured at amortised cost	<u>4,291</u>	<u>6,914</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>246,437</u>	<u>254,513</u>