
Charity Registration No. 1067483

Company Registration No. 03489376 (England and Wales)

EMMAUS GLOUCESTERSHIRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

EMMAUS GLOUCESTERSHIRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M. Heap	
	Ms H. Wolfson	
	Mr M. Hudson	
	Ms A. Beddoes	(Appointed 1 September 2017)
	Mr N. Mantle	(Appointed 25 July 2017)
	Ms A. Creedon	(Appointed 25 July 2017)
	Mr C. Thomas	(Appointed 25 July 2017)
Secretary	Mr J. Feeley	
Charity number	1067483	
Company number	03489376	
Principal address	Chequers Road Gloucester GL4 6PN	
Auditor	Pitt Godden & Taylor LLP Brunel House George Street Gloucester Gloucestershire GL1 1BZ	
Bankers	Lloyds TSB Bank plc High Street Cheltenham GL50 1EW	
	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	

EMMAUS GLOUCESTERSHIRE

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EMMAUS GLOUCESTERSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2017

The trustees present their report and accounts for the year ended 30 June 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Our Vision and Mission

Our Vision is a world in which everyone has a home and a sense of belonging.

Our Mission is to work together to overcome homelessness and social exclusion while using our voice to achieve social change.

Objectives and activities

In setting objectives and planning for activities, the Trustees have given due consideration to guidance published by the Charity Commission relating to public benefit, and in particular to its supplementary public benefit guidance.

The objects of the charity are the alleviation of homelessness and relief of poverty, hardship and the distress they cause to those in need. The objects are specifically restricted to the alleviation and relief of poverty, hardship and distress arising therefrom, in conformance with the principles of the Emmaus Movement as published from time to time by Emmaus UK, to those in need without distinction by:

The provision of accommodation, or assistance in such provision, for homeless people in the Gloucestershire area and such other places as may seem appropriate from time to time (the beneficiaries).

The rehabilitation of the beneficiaries as appropriate and the provision of education, training (including, without limitation, employment training) and work opportunities and satisfaction for the beneficiaries with the purpose of developing their skills to enable them to gain employment in the future and thereby develop a sense of self-worth and dignity through having a self-supporting life.

The support of the work of other Emmaus Communities and Emmaus Groups or other agencies in the relief of poverty and homelessness whether in the United Kingdom or elsewhere in the world and in particular (without limitation) by the exchange of resources, information and expertise with other Emmaus Movement projects worldwide.

The fulfilling of such other purposes as may from time to time be recognised by English Law as being charitable and which the Charity shall from time to time determine.

Approach to achieving charitable objects

Emmaus Gloucestershire provides a home, 40 hours of meaningful activity in our social enterprise each week, training and support for previously homeless or socially excluded individuals, known as 'Emmaus companions'. An unemployed, homeless or vulnerably housed person becomes a companion upon joining Emmaus Gloucestershire as a resident. Companions work together with volunteers and employees collecting, up cycling and selling donated goods in our five retail outlets. All companions have the opportunity to gain new skills and experiences in a working enterprise and, most importantly, regain self-respect, esteem and purpose whilst working to support others in greater need than themselves.

Emmaus Gloucestershire currently offers 31 bed spaces for companions over three accommodation sites. Companions sign off primary benefits and receive accommodation, food, clothing, a weekly allowance, resettlement support and access to structured support and personal development.

EMMAUS GLOUCESTERSHIRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2017

Opportunities are provided to gain new skills, undergo training and work as part of a team to achieve personal goals, contribute to the success of the business activities and provide assistance to others who are in need.

The Emmaus movement established by Abbé Pierre was founded on the concept of "Solidarity" - this means helping and working for others who are less fortunate than ourselves. Solidarity works at three levels: local, national and international. Emmaus Gloucestershire contributes at each of these levels with companions, volunteers, staff and Trustees all being involved. These contributions are not only financial but also include sharing, expertise, experience, moral support and encouragement.

Financially our solidarity support for 2016/2017 is set out below:

Local

Soup run in Gloucester	£2,805
GARAS	£1,000
Listening Post	£3,250
Winter Provision provided with Gloucester City Mission	£6,355
Florence House in India	£3,000
Open Door in Stroud	£300
Gifts in kind	£4,483
Girl Guides	£100
Sundry	£208

National

Support to Emmaus Cornwall	£575
Emmaus UK Membership	£4,230

International (including Europe)

Membership of Emmaus International and Europe	£14,456
Paris Salon Sale	£1,388
Travel	£376
TOTAL SOLIDARITY:	£42,526

Achievements and performance

Financial

The total income for year ending 30 June 2017 was £1,068,832 which was £11,420 less than the income for the previous year and some £65,882 (-5.8%) less than targeted.

The total expenditure for year ending 30 June 2017 was £962,663 which was £25,451 more than the expenditure for the previous year and some £100,706 (9.5%) less than budgeted.

The net surplus for the year to 30 June 2017 was £106,169 which was £36,871 less than the previous year.

This operational surplus represents 9.9% of total income which compares favourably with similar organisations.

EMMAUS GLOUCESTERSHIRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2017

Reserves

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a minimum of three months expenditure (at current expenditure levels this equates to £240,665).

There are designated reserves of £432,423 to fund business growth, diversification and community developments in line with the strategy.

Operational performance

Emmaus Gloucestershire generated 77% of its income through its social enterprise business in 2016/2017. The remainder 19% came from housing benefit, 4% from general donations and legacies.

During the year 11,284 daily bed spaces were provided. 1,456 daily bed spaces were set aside on a solidarity basis (for which no housing benefit was claimed). 34 companions left the community over the period of the year – 23 of these moved into accommodation, 8 chose to go travelling, and 3 left to sleep rough. Companions moved on into employment. These figures include those companions who left without notice and compare favourably to other Emmaus communities in the UK over the same period.

Through its solidarity work, Emmaus Gloucestershire also supports people still sleeping rough and vulnerably housed. In 2016-2017, the community provided a weekly soup run every Wednesday night, giving out food and/ or clothes. On average this catered for 35 people per week in Gloucester City. In addition to this, Emmaus Gloucestershire worked in partnership with Gloucester City Mission to provide emergency winter shelter provision for 26 rough sleepers over 11 nights in January 2017, two of whom were signposted to settled accommodation.

The performance against the 2016/2017 annual objectives are set out below:

- 1. Work with others to provide more outreach and support services for people who are street homeless and excluded in Gloucestershire and change attitudes to homelessness.** *Emmaus Gloucestershire worked in partnership with Gloucester City Mission to provide extended winter provision for the street homeless ensuring support in Gloucester in the most severe winter weather, and provided a weekly soup run.*
- 2. Increase the number of rooms available for companions and provide a diverse range of accommodation arrangements.** *No increase in rooms was achieved through 2016-17.*
- 3. Enriched and diversify the offer to companions so that the potential of each individual can be realised and opportunities for independence and social inclusion are enhanced.** *During 2016-17 there was a rearrangement of support workers so that they were made available to offer support both at work and at home to offer a better and more focussed support experience for our companions.*
- 4. Be a vibrant and successful social enterprise, with doubled turnover financial sustainability and freedom from government funding.** *In 2017 the plan is to increase the income from the current business and add additional income streams. The income from the existing business has not grown in the way that we planned and no further shops or income sources were achieved within the year. The costs were tightly controlled ensuring that Emmaus Gloucestershire achieved a healthy surplus in 2016-17.*
- 5. Be an efficient and effective organisation accredited as an excellent employer and volunteer placement agency, with exemplary environmental credentials.** *During the year Emmaus Gloucestershire recruited four new trustees to strengthen governance. Two new posts were created and filled in the organisation to help achieve the organisation's strategy – these were focused on operational management and external affairs.*

EMMAUS GLOUCESTERSHIRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2017

Risk management

Trustees have in place risk management procedures, policies and a risk register which aims to manage and mitigate foreseeable risks that the charity might face.

The risk register is reviewed regularly. The Policy and Practice Committee is responsible for monitoring compliance with legislation and regulatory requirements in relation to Companion support, the Business and Finance Committee monitoring and reviewing risks in respect of income generation and financial management. The Board of Trustees advised by the Chief Executive has overall responsibility for monitoring the risk register and ensuring appropriate timely mitigations are put in place.

Future plans

With the announcement of the intended resignation of the previous Chief Executive in Spring 2017 and the delayed commencement of a successor in September 2017, the latter part of the financial year was focused on operational matters. Similarly, after a 'stock-take' by the new Chief Executive, it was clear that during the 2017/2018 financial year resources would be needed to be re-prioritised to focus on becoming financially independent within eighteen months in order to sustain and meet the ambitious plans in the Four-Year Strategy, and high-level risks identified in the risk register. The Strategy's progress to date and its future implementation plan will be reviewed at the beginning of 2018/2019 financial year.

EMMAUS GLOUCESTERSHIRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2017

Structure, governance and management

The Board is responsible for the strategic direction and policy of the charity. The board meets at least quarterly and is underpinned by a committee structure. The Business and Finance Committee, HR Committee, Policy and Practice Committee and External Affairs Committee met at least quarterly to review performance and to agree priorities for the quarter ahead.

The Board of Trustees has adopted the NCVO Code of Good Governance, and reviews the structures and workings accordingly.

The HR Committee meets annually to agree the remuneration of the Chief Executive and all employees, so as to reward and motivate employees to an affordable extent.

A delegation framework is in place, with the day to day responsibility for the operations of the charity resting with the Chief Executive. The Chief Executive is responsible for ensuring that the charity delivers the activities specified in an annual operational plan and that key performance indicators are met.

EMMAUS GLOUCESTERSHIRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2017

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr M. Heap	
Mr R.M. Lethbridge	(Resigned 30 January 2018)
Ms H. Wolfson	
Mr A. McConnochie	(Resigned 20 October 2016)
Mr M. Hudson	
Ms A. Beddoes	(Appointed 1 September 2017)
Mr N. Mantle	(Appointed 25 July 2017)
Ms A. Creedon	(Appointed 25 July 2017)
Mr C. Thomas	(Appointed 25 July 2017)
Mr J. Williams	(Appointed 20 October 2016 and resigned 13 November 2017)
Mr L. Bouvier	(Appointed 20 October 2016 and resigned 30 January 2018)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

An annual skills audit of the Board of Trustees identifies gaps, and an open recruitment process for new Trustees takes place. This involves advertisement on Emmaus websites, and through specialist volunteering websites such as Volunteering Glos, Trustees Unlimited and REACH. An application and interview process takes place. Proposed appointments of new trustees must be approved by the Board of Trustees; following a successful application references and a DBS check are taken up.

Asset cover for funds

Note 16 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

Auditor

In accordance with the company's articles, a resolution proposing that Pitt Godden & Taylor LLP be reappointed as auditor of the company will be put at a General Meeting.

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

Mr C. Thomas

Trustee

Dated: 20 March 2018

EMMAUS GLOUCESTERSHIRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2017

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

EMMAUS GLOUCESTERSHIRE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF EMMAUS GLOUCESTERSHIRE

Opinion

We have audited the accounts of Emmaus Gloucestershire (the 'charity') for the year ended 30 June 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the accounts is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

EMMAUS GLOUCESTERSHIRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EMMAUS GLOUCESTERSHIRE

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Bishop (Senior Statutory Auditor)
for and on behalf of Pitt Godden & Taylor LLP

20 March 2018

Chartered Accountants
Statutory Auditor

Brunel House
George Street
Gloucester
Gloucestershire
GL1 1BZ

Pitt Godden & Taylor LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

EMMAUS GLOUCESTERSHIRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	2016 £
<u>Income and endowments from:</u>			
Donations	3	27,036	25,630
Housing benefits	4	198,764	198,374
Other trading activities	5	833,975	835,876
Investment income	6	2,057	4,121
Other income	7	7,000	16,251
Total income and endowments		1,068,832	1,080,252
<u>Expenditure on:</u>			
Charitable activities	8	962,663	937,212
Net income for the year/ Net movement in funds		106,169	143,040
Fund balances at 1 July 2016		1,478,922	1,335,882
Fund balances at 30 June 2017		1,585,091	1,478,922

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EMMAUS GLOUCESTERSHIRE

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		1,130,145		1,109,231
Current assets					
Debtors	13	72,495		71,093	
Cash at bank and in hand		473,753		390,613	
		<u>546,248</u>		<u>461,706</u>	
Creditors: amounts falling due within one year	14	<u>(91,302)</u>		<u>(92,015)</u>	
Net current assets			454,946		369,691
Total assets less current liabilities			<u>1,585,091</u>		<u>1,478,922</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	15	432,423		432,423	
General unrestricted funds		<u>1,152,668</u>		<u>1,046,499</u>	
			1,585,091		1,478,922
			<u>1,585,091</u>		<u>1,478,922</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2017, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

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

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

The accounts were approved by the Trustees on 20 March 2018

Mr C. Thomas
Trustee

Company Registration No. 03489376

EMMAUS GLOUCESTERSHIRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	17		116,547		171,102
Investing activities					
Purchase of tangible fixed assets		(35,464)		(5,389)	
Interest received		2,057		4,121	
Net cash used in investing activities			(33,407)		(1,268)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			83,140		169,834
Cash and cash equivalents at beginning of year			390,613		220,779
Cash and cash equivalents at end of year			473,753		390,613

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Charity information

Emmaus Gloucestershire is a private company limited by guarantee incorporated in England and Wales. The registered office is Chequers Warehouse, Chequers Road, Gloucester, GL4 6PN.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Resources expended are accounted for on an accruals basis.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. Items costing less than £1,000 are written off as an expense as acquired.

Tangible fixed assets are included in the Balance Sheet at cost less accumulated depreciation, or at estimated value at the date of donation less the associated accumulated depreciation.

Depreciation is calculated to write off the cost or valuation of fixed assets, less their estimated residual values, over their estimated useful economic lives, at the following rates :-

Land and buildings	nil
Plant and machinery	25% straight line
Fixtures, fittings & equipment	10/20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Donations in kind

The donation of the property at 47 Central Road has been included at market valuation.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations

	2017	2016
	£	£
Donations	14,910	10,797
Gift aid donations	12,126	14,833
	<u>27,036</u>	<u>25,630</u>

4 Housing benefits

	2017	2016
	£	£
Housing benefit	<u>198,764</u>	<u>198,374</u>

5 Other trading activities

	2017	2016
	£	£
Shop income	810,600	835,876
Fundraising events	23,375	-
Other trading activities	<u>833,975</u>	<u>835,876</u>

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

6 Investment income

	2017	2016
	£	£
Rental income	1,555	3,193
Interest receivable	502	928
	<u>2,057</u>	<u>4,121</u>

7 Other income

	2017	2016
	£	£
Grants	7,000	15,000
Misc. income	-	1,251
	<u>7,000</u>	<u>16,251</u>

8 Charitable activities

	2017	2016
	£	£
Staff costs	496,589	419,480
Depreciation and impairment	14,550	14,627
Other costs	444,189	498,960
Governance costs	7,335	4,145
	<u>962,663</u>	<u>937,212</u>
	<u>962,663</u>	<u>937,212</u>

Included in governance costs is auditors remuneration of £3,490 (2016: £3,245)

9 Trustees

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

Trustees indemnity insurance was purchased during the year at a cost of £1,498 (2016- £1,498).

Trustees travel expenses of £1,655 (2016- £889) have been met by the charity.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

10 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Shop/warehouse	8	8
Office/admin	5	5
Companion support	6	6
	<u>19</u>	<u>19</u>

Employment costs

	2017 £	2016 £
Wages and salaries	<u>496,589</u>	<u>419,480</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, Motor vehicles fittings & equipment £	£	Total £
Cost					
At 1 July 2016	1,104,524	7,081	115,784	104,671	1,332,060
Additions	-	-	2,088	33,376	35,464
Disposals	-	-	-	(42,130)	(42,130)
At 30 June 2017	<u>1,104,524</u>	<u>7,081</u>	<u>117,872</u>	<u>95,917</u>	<u>1,325,394</u>
Depreciation and impairment					
At 1 July 2016	16,865	7,081	100,811	98,072	222,829
Depreciation charged in the year	1,804	-	5,644	7,102	14,550
Eliminated in respect of disposals	-	-	-	(42,130)	(42,130)
At 30 June 2017	<u>18,669</u>	<u>7,081</u>	<u>106,455</u>	<u>63,044</u>	<u>195,249</u>
Carrying amount					
At 30 June 2017	<u>1,085,855</u>	<u>-</u>	<u>11,417</u>	<u>32,873</u>	<u>1,130,145</u>
At 30 June 2016	<u>1,087,659</u>	<u>-</u>	<u>14,973</u>	<u>6,599</u>	<u>1,109,231</u>

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

12 Financial instruments	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	20,971	22,899
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	69,332	83,482
	<u> </u>	<u> </u>
13 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	3,087	5,035
Other debtors	27,453	26,652
Prepayments and accrued income	41,955	39,406
	<u> </u>	<u> </u>
	<u>72,495</u>	<u>71,093</u>
14 Creditors: amounts falling due within one year	2017	2016
	£	£
Other taxation and social security	21,970	8,533
Trade creditors	24,894	30,775
Other creditors	3,633	1,864
Accruals and deferred income	40,805	50,843
	<u> </u>	<u> </u>
	<u>91,302</u>	<u>92,015</u>

15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 July 2016	Movement in funds		Balance at 30 June 2017
	£	Incoming resources	Resources expended	£
		£	£	
Property and Development Fund	432,423	-	-	432,423
	<u>432,423</u>	<u>-</u>	<u>-</u>	<u>432,423</u>

16 Related party transactions

There were no disclosable related party transactions during the year (2016- none).

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

17	Cash generated from operations	2017 £	2016 £
	Surplus for the year	106,169	111,535
	Adjustments for:		
	Investment income recognised in profit or loss	(2,057)	(4,121)
	Depreciation and impairment of tangible fixed assets	14,550	14,627
	Movements in working capital:		
	(Increase)/decrease in debtors	(1,402)	7,101
	(Decrease)/increase in creditors	(713)	10,455
	Cash generated from operations	<u>116,547</u>	<u>139,597</u>

EMMAUS GLOUCESTERSHIRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017

	Barnwood Road £	Hucclecote Road £	Restore £	Central Road £	Chequers Road £	Cheltenham £	Nailsworth £	Stroud £	Esales £	Corporate £	Total 2017 £	Total 2016 £
Income												
Trading income	-	-	37,337	-	273,622	81,972	192,667	146,865	27,636	50,308	810,407	835,876
Misc. commercial inc	-	-	-	-	-	-	-	-	-	-	-	1,251
Housing benefit	159,494	12,713	-	26,557	-	-	-	-	-	-	198,764	198,374
Donations	-	-	-	-	27	-	173	(105)	-	27,172	27,267	25,630
Assets donated	-	-	-	-	-	-	-	-	-	-	-	-
Grants & fundraising	-	-	-	-	-	-	-	(19)	-	30,356	30,337	15,000
Interest & misc.	870	685	-	-	-	-	-	-	-	502	2,057	4,121
	160,364	13,398	37,337	26,557	273,649	81,972	192,840	146,741	27,636	108,338	1,068,832	1,080,252
Cost of sales												
Retail shop costs	-	-	900	-	5,923	2,272	4,968	2,924	-	(112)	16,875	13,914
W-shop supplies	-	-	-	-	2,344	-	-	-	-	332	2,676	2,552
Small tools and misc.	-	-	-	-	-	-	-	-	-	-	-	23,489
Ebay costs	-	-	-	-	-	-	-	-	9,881	11	9,892	4,254
	-	-	900	-	8,267	2,272	4,968	2,924	9,881	231	29,443	44,209
Publicity												
Newsletter	-	-	-	-	-	-	-	-	-	-	-	1,601
Marketing/PR	-	-	-	-	-	-	-	-	-	4,745	4,745	530
Anniversary Celebration	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	4,745	4,745	2,131

EMMAUS GLOUCESTERSHIRE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2017

	Barnwood Road £	Hucclecote Road £	Restore £	Central Road £	Chequers Road £	Cheltenham £	Nailsworth £	Stroud £	Esales £	Corporate £	Total 2017 £	Total 2016 £
Vehicles and travel												
Travel & subsistence	104	-	-	19	125	230	347	197	-	4,038	5,060	5,542
Companion travel	122	72	-	-	-	2,348	-	25	-	-	2,567	2,893
Vehicles	5,031	-	660	-	8,967	2,642	3,303	5,285	-	(4,783)	21,105	27,442
Vehicles insurance	1,465	-	183	-	2,799	772	958	1,855	-	84	8,116	6,351
	6,722	72	843	19	11,891	5,992	4,608	7,362	-	(661)	36,848	42,510
Staff costs												
Wages, NI & pens	98,845	-	3,099	-	70,890	12,265	12,397	22,280	5,686	271,844	497,306	419,797
Recruit/agency costs	207	-	-	-	943	-	-	2,061	-	6,774	9,985	8,100
Volunteer costs	3	-	-	-	135	77	20	-	-	3,972	4,207	3,114
	99,055	-	3,099	-	71,968	12,342	12,417	24,341	5,686	282,590	511,498	431,011

EMMAUS GLOUCESTERSHIRE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2017

	Barnwood Road £	Hucclecote Road £	Restore £	Central Road £	Chequers Road £	Cheltenham £	Nailsworth £	Stroud £	Esales £	Corporate £	Total 2017 £	Total 2016 £
Costs of supporting companions												
Allowances	59,966	4,473	-	11,019	-	-	-	-	-	(185)	75,273	74,552
Exps, food, clothing	35,267	2,250	-	7,222	-	-	-	-	-	28	44,767	52,737
Entertainment	16,703	995	-	2,015	-	-	-	-	-	-	19,713	13,848
Holidays	9,999	818	-	1,917	-	-	-	-	-	-	12,734	16,401
Travel - pers	5,038	402	-	399	-	-	-	-	-	-	5,839	2,383
	<u>126,973</u>	<u>8,938</u>	<u>-</u>	<u>22,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157)</u>	<u>158,326</u>	<u>159,921</u>
Training & development												
Companion training	1,775	350	-	65	-	-	-	-	-	2	2,192	2,994
Staff/trustee/ training	1,215	-	-	-	1,607	-	-	-	-	7,233	10,055	11,958
Conferences	-	-	-	-	-	-	-	-	-	-	-	2,476
	<u>2,990</u>	<u>350</u>	<u>-</u>	<u>65</u>	<u>1,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,235</u>	<u>12,247</u>	<u>17,428</u>

EMMAUS GLOUCESTERSHIRE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2017

	Barnwood Road £	Hucclecote Road £	Restore £	Central Road £	Chequers Road £	Cheltenham £	Nailsworth £	Stroud £	Esales £	Corporate £	Total 2017 £	Total 2016 £
Premises												
Rent	-	-	9,546	-	-	10,500	-	21,914	-	1,895	43,855	42,706
Water, elec. & gas	12,718	1,649	582	2,913	12,353	3,076	1,747	2,538	-	182	37,758	50,673
Rates	1,286	1,372	309	1,372	2,395	832	937	1,615	-	188	10,306	8,616
Insurance	1,276	560	445	560	1,604	2,407	1,850	1,278	-	1,881	11,861	16,825
Telephone	444	270	60	239	3,705	540	592	862	-	1,770	8,482	9,048
Comp. & stationery	40	-	-	25	49	152	78	579	-	13,833	14,756	20,375
Prem maint/cleaning	9,931	318	71	1,362	5,925	574	917	635	-	11	19,744	14,258
Repairs & renewals	532	-	-	-	485	-	-	-	-	1,026	2,043	22,012
Property/Shop improvements	-	-	-	-	-	-	-	-	-	-	-	-
Deprec & lease w/d	3,766	237	480	-	5,123	1,218	1,955	2,024	(67)	(186)	14,550	14,627
Loss by theft w/o	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-
	<u>29,993</u>	<u>4,406</u>	<u>11,493</u>	<u>6,471</u>	<u>31,639</u>	<u>19,299</u>	<u>8,076</u>	<u>31,445</u>	<u>(67)</u>	<u>20,600</u>	<u>163,355</u>	<u>199,140</u>
Professional fees												
Audit & prof fees	-	-	-	-	-	-	-	-	-	12,732	12,732	9,745
Subscriptions	-	-	-	21	-	-	-	-	-	1,177	1,198	12,572
EUK Subs	-	-	-	-	-	-	-	-	-	-	-	-
recalculated	-	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,909</u>	<u>13,930</u>	<u>22,317</u>

EMMAUS GLOUCESTERSHIRE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2017

	Barnwood Road £	Hucclecote Road £	Restore £	Central Road £	Chequers Road £	Cheltenham £	Nailsworth £	Stroud £	Esales £	Corporate £	Total 2017 £	Total 2016 £
Financial costs												
Loan interest	-	-	-	-	-	-	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-	-	-	-	1,476	1,476	2,470
										1,476	1,476	2,470
Solidarity												
Solidarity dons E UK	-	-	-	-	-	-	-	-	-	20,679	20,679	-
Solidarity donations	86	-	-	-	21	-	-	-	-	10,009	10,116	8
Solidarity exps	-	-	-	-	-	-	-	-	-	-	-	16,067
Solidarity wages	-	-	-	-	-	-	-	-	-	-	-	-
	86	-	-	-	21	-	-	-	-	30,688	30,795	16,075
Total costs	265,819	13,766	16,335	29,148	125,393	39,905	30,069	66,072	15,500	360,656	962,663	937,212
Net surplus	(105,455)	(368)	21,002	(2,591)	148,256	42,067	162,771	80,669	12,136	(252,318)	106,169	143,040