
Charity Registration No. 1067483

Company Registration No. 03489376 (England and Wales)

EMMAUS GLOUCESTERSHIRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

EMMAUS GLOUCESTERSHIRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M. Heap	
	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 Unit 3 Ambrose House Meteor Court Barnett Way Barnwood Gloucester GL4 3GG	
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

CONTENTS

	Page
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditor's report	6 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 19

EMMAUS GLOUCESTERSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2018

The trustees present their report and financial statements for the year ended 30 June 2018.

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 (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

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 2017/2018 is set out below:

Local

Soup Run in Gloucester	£2,147
Listening Post	£2,500
Food Bank	£78
MacMillan Cancer	£281
SWEP Winter Provision	£17,996

National

Emmaus UK Membership	£4,568
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International (including Europe)

Membership of Emmaus International and Europe	£15,610
Travel	£335
Total solidarity	£43,515

Achievements and performance

Financial

The total income for the year ending 30 June 2018 was £1,177,107 which was £108,275 more than the income for the previous year and some £75,522 more than targeted income.

The total expenditure for the year ending 30 June 2018 was £1,058,367 which was £95,704 more than the expenditure for the previous year and some £36,623 less than budgeted.

The net surplus for the year ending 30 June 2018 was £118,740 some £12,571 more than the previous year.

The operational surplus represents 10.1% of total income which compares favourably to similar organisations.

Operational performance

Emmaus Gloucestershire generated 75% of its income through its social enterprise business in 2017/2018. The remainder 17% came from housing benefit, 7% from general donations and legacies.

During the year a total of 11,284 daily bed spaces were provided. 1,460 daily bed spaces were set aside on a solidarity basis (for which no housing benefit was claimed). The average occupancy across the year was 97%.

Winter provision was provided in Gloucester for the first time in partnership with Gloucester City Mission. This provided much needed shelter, food and support through the severe winter months providing a total of 1,077 daily bed spaces.

The number of people provided with food and/or clothes and sleeping bags at our weekly soup run is on average 35 per week.

EMMAUS GLOUCESTERSHIRE

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

FOR THE YEAR ENDED 30 JUNE 2018

The appointment of a new Chief Executive in September 2017 and the priority to become financially independent within eighteen months made the need to review our operations, practices and business activities essential. New income streams had to be served and value for money delivered in all expenditures. Emmaus Gloucestershire needed a solid foundation before it moved forward on plans for growth or expansion.

An enormous amount of work has been undertaken on the above activities to ensure our organisation is in good shape to move forward. While some benefits are being evidenced the full impact will not be demonstrated for another twelve months by which time we anticipate achieving full financial independence.

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 levels this equates to £263,474).

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 by all Committee's with the Board of Trustees, advised by the Chief Executive, having overall responsibility for monitoring the risks and ensuring appropriate and timely mitigations are put in place.

Future plans

As we make purposeful progress towards financial independence in 2018/19 financial year the Board of Trustees will lead the development of our vision and in-turn our plans for the future.

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.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M. Heap	
Mr R.M. Lethbridge	(Resigned 30 January 2018)
Ms H. Wolfson	(Resigned 26 July 2018)
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	(Resigned 13 November 2017)
Mr L. Bouvier	(Resigned 30 January 2018)

EMMAUS GLOUCESTERSHIRE

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

FOR THE YEAR ENDED 30 JUNE 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: 24 January 2019

EMMAUS GLOUCESTERSHIRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2018

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the trustees are required to:

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

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

EMMAUS GLOUCESTERSHIRE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF EMMAUS GLOUCESTERSHIRE

Opinion

We have audited the financial statements of Emmaus Gloucestershire (the 'charity') for the year ended 30 June 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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 financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2018 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 financial statements 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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements 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 financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

EMMAUS GLOUCESTERSHIRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EMMAUS GLOUCESTERSHIRE

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

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 financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

A further description of our responsibilities for the audit of the financial statements 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.

EMMAUS GLOUCESTERSHIRE

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

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

24 January 2019

**Chartered Accountants
Statutory Auditor**

Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG

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 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
<u>Income and endowments from:</u>					
Donations	3	83,035	4,472	87,507	27,036
Housing benefits	4	204,364	-	204,364	198,764
Other trading activities	5	882,659	-	882,659	833,975
Investment income	6	1,017	-	1,017	2,057
Other income	7	1,560	-	1,560	7,000
Total income		1,172,635	4,472	1,177,107	1,068,832
<u>Expenditure on:</u>					
Charitable activities	8	1,053,895	4,472	1,058,367	962,663
Net income for the year/ Net movement in funds		118,740	-	118,740	106,169
Fund balances at 1 July 2017		1,585,091	-	1,585,091	1,478,922
Fund balances at 30 June 2018		1,703,831	-	1,703,831	1,585,091

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 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	11		1,115,412		1,130,145
Current assets					
Debtors	13	91,894		72,495	
Cash at bank and in hand		587,598		473,753	
		679,492		546,248	
Creditors: amounts falling due within one year	14	(91,073)		(91,302)	
Net current assets			588,419		454,946
Total assets less current liabilities			1,703,831		1,585,091
Income funds					
<u>Unrestricted funds</u>					
Designated funds	16	432,423		432,423	
General unrestricted funds		1,271,408		1,152,668	
			1,703,831		1,585,091
			1,703,831		1,585,091

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 2018, 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 financial statements under the requirements of the Companies Act 2006.

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

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

The financial statements were approved by the Trustees on 24 January 2019

Mr C. Thomas
Trustee

Company Registration No. 03489376

EMMAUS GLOUCESTERSHIRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	18		118,530		116,547
Investing activities					
Purchase of tangible fixed assets		(5,702)		(35,464)	
Interest received		1,017		2,057	
Net cash used in investing activities			(4,685)		(33,407)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			113,845		83,140
Cash and cash equivalents at beginning of year			473,753		390,613
Cash and cash equivalents at end of year			587,598		473,753

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives 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 financial statements.

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.

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 2018

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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.8 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.

1.9 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.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 Donations in kind

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

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.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

3 Donations

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations and gifts	83,035	4,472	87,507	27,036
	<u>83,035</u>	<u>4,472</u>	<u>87,507</u>	<u>27,036</u>
For the year ended 30 June 2017	27,036	-		27,036
	<u>27,036</u>	<u>-</u>		<u>27,036</u>
Donations and gifts				
Donations	-	20,673	20,673	14,910
Gift aid donations	23,035	-	23,035	12,126
Legacies	60,000	-	60,000	-
Other	-	(16,201)	(16,201)	-
	<u>83,035</u>	<u>4,472</u>	<u>87,507</u>	<u>27,036</u>

4 Housing benefits

	2018 £	2017 £
Housing benefit	204,364	198,764
	<u>204,364</u>	<u>198,764</u>

5 Other trading activities

	Unrestricted funds	Total
	2018 £	2017 £
Shop income	863,830	810,600
Fundraising events	18,829	23,375
	<u>882,659</u>	<u>833,975</u>
Other trading activities	882,659	833,975
	<u>882,659</u>	<u>833,975</u>

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

6 Investment income

	Unrestricted funds	Total
	2018 £	2017 £
Rental income	626	1,555
Interest receivable	391	502
	<u>1,017</u>	<u>2,057</u>

7 Other income

	2018 £	2017 £
Net gain on disposal of tangible fixed assets	524	-
Grants	-	15,000
Misc. income	1,036	1,251
	<u>1,560</u>	<u>7,000</u>

8 Charitable activities

	2018 £	2017 £
Staff costs	506,830	496,589
Depreciation and impairment	20,959	14,550
Other costs	525,383	444,189
Governance costs	5,195	7,335
	<u>1,058,367</u>	<u>962,663</u>

Included in governance costs is auditors remuneration of £3,300 (2017: £3,490)

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 (2017- £1,498).

Trustees travel expenses of £1,170 (2017- £1,655) have been met by the charity.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Shop/warehouse	7	8
Office/admin	9	5
Companion support	4	6
	<u>20</u>	<u>19</u>

Employment costs

	2018 £	2017 £
Wages and salaries	<u>506,830</u>	<u>496,589</u>

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

11 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2017	1,104,524	7,081	117,872	95,917	1,325,394
Additions	-	-	5,702	-	5,702
Disposals	-	-	(94,255)	(4,000)	(98,255)
At 30 June 2018	<u>1,104,524</u>	<u>7,081</u>	<u>29,319</u>	<u>91,917</u>	<u>1,232,841</u>
Depreciation and impairment					
At 1 July 2017	18,669	7,081	106,455	63,044	195,249
Depreciation charged in the year	1,804	-	5,660	13,495	20,959
Eliminated in respect of disposals	-	-	(93,295)	(5,484)	(98,779)
At 30 June 2018	<u>20,473</u>	<u>7,081</u>	<u>18,820</u>	<u>71,055</u>	<u>117,429</u>
Carrying amount					
At 30 June 2018	<u>1,084,051</u>	<u>-</u>	<u>10,499</u>	<u>20,862</u>	<u>1,115,412</u>
At 30 June 2017	<u>1,085,855</u>	<u>-</u>	<u>11,417</u>	<u>32,873</u>	<u>1,130,145</u>

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

12 Financial instruments	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	31,639	20,971
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	81,437	69,332
	<u> </u>	<u> </u>
13 Debtors	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	8,294	3,087
Other debtors	32,865	27,453
Prepayments and accrued income	50,735	41,955
	<u> </u>	<u> </u>
	91,894	72,495
	<u> </u>	<u> </u>
14 Creditors: amounts falling due within one year	2018	2017
	£	£
Other taxation and social security	9,636	21,970
Trade creditors	31,413	24,894
Other creditors	3,146	3,633
Accruals and deferred income	46,878	40,805
	<u> </u>	<u> </u>
	91,073	91,302
	<u> </u>	<u> </u>
15 Restricted funds		

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1	Movement in funds		Balance at 30
	July 2017	Incoming	Resources	June 2018
	£	resources	expended	£
E-sales management salary	-	4,472	(4,472)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

16 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:

	Movement in funds		
	Balance at 1 July 2017	Incoming resources	Balance at 30 June 2018
	£	£	£
Property and Development Fund	432,423	-	432,423
	<u>432,423</u>	<u>-</u>	<u>432,423</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).

18 Cash generated from operations	2018 £	2017 £
Surplus for the year	118,740	111,535
Adjustments for:		
Investment income recognised in profit or loss	(1,017)	(2,057)
Gain on disposal of tangible fixed assets	(524)	-
Depreciation and impairment of tangible fixed assets	20,959	14,550
Movements in working capital:		
(Increase) in debtors	(19,399)	(1,402)
(Decrease) in creditors	(229)	(713)
Cash generated from operations	<u>118,530</u>	<u>121,913</u>