

EMMAUS GLOUCESTERSHIRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

EMMAUS GLOUCESTERSHIRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M. Heap Mr R.M. Lethbridge Ms H. Wolfson Mr A. McConnochie Mr M. Hudson	(Appointed 9 February 2016)
Secretary	Ms A. Horner	
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	

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EMMAUS GLOUCESTERSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2016

The trustees present their report and accounts for the year ended 30 June 2016.

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) (effective 1 January 2015)"

Objectives and activities

The objects are contained in the Articles of Association which were reviewed and re-adopted in January 2016.

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.

Trustees can confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and when planning future activities.

Emmaus Gloucestershire is a public entity in that it is 'an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members'.

Our Vision, Mission and Values

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.

Our Values are to

1. Value and respect every person, opposing injustice
2. Be transparent and honest in all our dealings
3. Demonstrate solidarity and support for those in need
4. Create an environment of empowerment
5. Share and exchange resources, skills and learning
6. Support and foster interdependence and independence
7. Work to live and give

EMMAUS GLOUCESTERSHIRE

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

FOR THE YEAR ENDED 30 JUNE 2016

Our Income

Emmaus Gloucestershire earned 78% of its income from social enterprise businesses in 2015/16. The remainder comes from housing benefit - 18% and 4% coming from voluntary, unsolicited donations from the public.

The funding structure relies on Housing Benefit income which is paid directly to the Community's account. No additional fees or payments are required from a Companion as they provide for themselves by working in the community businesses.

Our aim is to reduce our organisation's dependency on housing benefit. This is because we wish to be self-supporting and the future of housing benefit beyond 2018 is uncertain. In 2015/16 we generated a surplus that would have enabled us to meet our financial obligations without housing benefit.

Our income is generated from five retail shops and an E Sales operation. During 2015/16 we extended our furniture upcycling business. We also receive income from recycling textiles, books and metals.

Emmaus Gloucestershire has not actively fundraised to support operational activity. In 2015/16 our campaigning and awareness raising activity led to an increase in donations to support the community, and to promote and develop work with people still sleeping rough on the streets.

How we work to support beneficiaries

An unemployed, homeless or vulnerably housed person becomes a Companion upon joining Emmaus as a resident. Companions sign off primary benefits and work full time in the Community businesses. In return for working within the Community, Companions receive accommodation, food and clothing, a weekly allowance, and access to structured support and personal development. 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. In addition to Companions, our Community members include Trustees, volunteers and employees all working together towards the aims of the organisation.

Potential Companions can apply directly or can be referred by a third party or agency with their permission. We work in partnership with statutory services, charities and churches, and will accept local and national referrals.

The Community is fully committed to an equal opportunities policy and will not discriminate on the grounds of gender, gender reassignment, marital & civil partnership status, age, race, colour, nationality, national origin, ethnic background, religion or belief, disability, sexual orientation, pregnancy & maternity, past criminal convictions or offending background unless it can be shown to be justified.

Applicants must be aged 18 or over and no children are accepted into the Community home.

Emmaus provides meaningful work in our social enterprises which we believe restores self-respect and esteem. Companions must be able to work and contribute to community life and relationships. We are therefore unable to accommodate people with serious mental health issues or significant dependency on drugs or alcohol. We can welcome individuals who are committed to a drug treatment programme or receiving outpatient mental health care. Specific conditions may be imposed on individual Companions to help them sustain their role in the community and to mitigate potential risks.

EMMAUS GLOUCESTERSHIRE

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

FOR THE YEAR ENDED 30 JUNE 2016

Some Companions may stay a few weeks, others a few months, and some for years.

Companions are encouraged to consider their future and take action to realise choices that may include staying with Emmaus as well as moving on to other programmes, employment and independent living. A small team of support workers provide practical and emotional support to Companions.

During 2015/16, in anticipation of delivering an ambitious new strategy from July 2016, internal restructuring of management and staff was undertaken to increase capacity. While overall staffing numbers only increased by one post and the budget by £2,000, role definitions were changed to improve efficiency and to increase capacity for change and growth, to improve organisational efficiency and to improve the wellbeing of Companions.

Emmaus Gloucestershire has developed relationships with many external agencies and services and signposts and supports Companions to engage in seeking opportunities to address issues they may have with drug and alcohol abuse, mental health, emotional health, physical health, spiritual needs, benefits, financial, legal/ offending, immigration, housing and employment.

Solidarity

The Emmaus movement was founded on the concept of solidarity, which means helping and working for others who are less fortunate than ourselves. Companions, staff, volunteers and Trustees get involved in supporting local, national and international charities and good causes. We have also offered support to emerging Emmaus communities in South Wales and in Cornwall through the provision of financial loans and sharing staff, Companion and Trustee experience and skills. We have participated in Emmaus federation wide activities to strengthen the movement in the UK, Europe and globally.

Donations of cash or in kind are regularly given to charities, organisations or groups of people in various countries whose need is greater than our own. Solidarity is in accordance with the aims of Emmaus Gloucestershire.

Achievements and performance

In 2015/2016 we identified eight annual objectives to further our charitable objects. The objectives and the outcomes achieved were:

Objective 1: Achieve and maintain a full and integrated community

Outcome: The community increased its accommodation for Companions from 30 to 31, at times accommodating up to 33 by conversion of guest rooms. Occupancy through the year was 98%.

Objective 2: Increase our income

Outcome: The income was increased by £156,405. This includes an increase in trading income, housing benefit and donations.

Objective 3: Increase the range of Companion and volunteering roles

Outcome: The Volunteer policy and procedure was improved and job roles revised to be a better fit with the tasks undertaken. Additional roles were created in woodwork, jewellery sorting and PAT testing. A regular, consistent pool of volunteers was maintained. We introduced Companion roles in woodworking and upcycling, finance and administration, and E Sales. Additional Companion roles were created to run a new shop focusing on upcycled and vintage goods.

Objective 4: Increase our training and development

Outcome: We achieved all essential training to ensure the safe running of the business and community. We made some progress in delivering developmental training for staff, and companions but not to the level we intended. This was due to time constraints and operational activities to meet the demands of the growing business. We acknowledged this as a priority for the year ahead.

Objective 5: Increase our profile

Outcome: There was limited success in this area, due to lack of capacity. As a result, and to reflect the new strategic plan, a new external affairs post was identified to lead developments in this area.

EMMAUS GLOUCESTERSHIRE

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

FOR THE YEAR ENDED 30 JUNE 2016

Objective 6: Maintain our commitment to solidarity

Outcome: In 2015/16 we provided support to the local foodbank by encouraging customers to donate food, we supported a women's cooperative in India, a children's orphanage in Romania, and we held coffee mornings and sponsored runs for MacMillan Cancer Research and ran a weekly outreach to people sleeping rough in Gloucester. Soup, warm clothing and sleeping bags were distributed weekly and rough sleepers were signposted to support services in the city. During the year we designated 4 of the available rooms as 'solidarity placements' reserved for individuals who are not eligible for housing benefit.

Objective 7: Deliver a strategic plan for FY2016- 2020

Outcome: A new strategic plan was developed in full consultation with the community, building on internal and external research. It was agreed by the Board in June 2016.

Objective 8: Increase our governance capacity

Outcome: Three new Trustees were recruited during the financial year and was ongoing at the end of the year. Governance development plans were included in the strategic plan for the next four years.

The impact of our work in 2015/2016

- Formerly homeless and excluded people had a stable home and meaningful work. Overall occupancy was 98%. 33 new Companions were accepted during the year, 27 of whom had not experienced Emmaus before
- 22 people were supported into accommodation in the community
- 4 people were supported into employment
- 35 people had volunteering opportunities, some of whom are considered vulnerable and socially excluded
- Rough sleepers in Gloucester were provided with food, clothing, bedding and support
- Other charities and social causes benefited from our Solidarity activity.

Environmental Impact

Emmaus Gloucester is committed to re-use and recycling of furniture and household goods, and reducing landfill. Where goods can no longer be re-used we are committed to ethical disposal.

Financial review

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 level equivalent to between three month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

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

Cash surplus to normal working requirements is deposited with the Charities Aid Foundation bank. Loans are sometimes made to fellow members of the Emmaus Federation. As a rule, these do not accrue interest and are unsecured.

EMMAUS GLOUCESTERSHIRE

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

FOR THE YEAR ENDED 30 JUNE 2016

Risk Management

The Community is committed to effective health and safety risk management. Health and safety is managed according to our Health and Safety policy. Risk Assessments and specific procedures are completed, reviewed, and maintained. All new activities and potential risks are risk assessed. All staff, Companions, and volunteers participate in a health and safety induction, with specific training offered when desirable or necessary.

A comprehensive risk register and action plan is produced annually. It is reviewed quarterly by the board and by the relevant committee at each meeting. This covers Governance; Operations; Companion and Community; Finance; Legal; External and Reputational risks.

There were no significant risk exposures during 2015/16. Improvements in IT, and financial systems were undertaken to reduce operational financial risks. A recruitment campaign for additional Trustees reduced the governance risk.

The principal risks going forward are

- Reduction in housing benefit from 2018/19. To mitigate this risk Emmaus Gloucestershire will increase business activity to generate a surplus in excess of the housing benefit income. This was achieved in 2015/16.
- The Trustee body having sufficient numbers and relevant skills. To mitigate this risk Trustee recruitment will be ongoing throughout the year, with an increasing pool of supporters and ambassadors.
- Companion behaviours impacting negatively on the safety and wellbeing of others, and on the running of the business. To mitigate the support team will be increased in line with increasing Companion numbers. A revised induction process will be put in place together with increased supervision, learning and development.
- Having access to HR advice and guidance to ensure that all employee related legislation, regulation and good practice is maintained. To mitigate this risk external HR advisors will be engaged.

Strategic development for the future

During 2015/16, following internal and external research and consultation, a four- year strategy (FY2016-20) was approved by the board. The strategy outlines significant growth of the business and the community to provide a home, and outreach support, to people who are homeless. Over the next four years we will

1. Extend outreach; working with and alongside others to provide integrated services and support for people who are street homeless and excluded in Gloucestershire. We will also raise the profile of homelessness and social exclusion
2. Double the number of Companion places to 60
3. Enrich and diversify our offer to Companions so that the potential of each individual can be realised and opportunities for independence and social inclusion enhanced
4. Be a vibrant, diverse and successful social enterprise; double the turnover of the business; be financially sustainable and free of government funding; increase paid and non- paid roles for people inside and outside the community
5. Be an efficient and effective organisation with exemplary governance and accreditation for being an excellent employer and volunteer placement agency, and for environmental protection.

EMMAUS GLOUCESTERSHIRE

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

FOR THE YEAR ENDED 30 JUNE 2016

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 its structures and workings accordingly.

The HR committee meets annually to agree the remuneration of the Chief Executive and all staff. In setting the pay the committee takes account of the annual NCVO pay audit, cost of living indicators, benchmarking within the Emmaus UK Federation and local benchmarking for like roles.

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 were:

Mr M. Heap

Mr R.M. Lethbridge

Ms H. Wolfson

Ms L. Howarth (Resigned 25 October 2015)

Mr A. McConnochie

Mr I.R. Smith (Resigned 19 June 2016)

Mr M. Hudson (Appointed 9 February 2016)

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 advertisements on Emmaus websites, and through specialist volunteering websites such as Volunteering Glos, Trustees Unlimited and REACH. An application and interview process takes place, and following a successful application references and a DBS check are taken up.

Emmaus Gloucestershire remains a member of the Federation of Emmaus in the UK. Emmaus UK is a wholly separate charity of which Mr M. Heap is the Chairman.

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.

.....
Ms H. Wolfson

Trustee

Dated:

EMMAUS GLOUCESTERSHIRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2016

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 MEMBERS OF EMMAUS GLOUCESTERSHIRE

We have audited the financial statements of Emmaus Gloucestershire for the year ended 30 June 2016 set out on pages 10 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 7, the trustees, who are also the directors of Emmaus Gloucestershire for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMMAUS GLOUCESTERSHIRE

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

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

.....

Chartered Accountants
Statutory Auditor

Brunel House
George Street
Gloucester
Gloucestershire
GL1 1BZ

Pitt Godden & Taylor LLP is eligible to act as an auditor in terms 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 2016**

	Notes	2016 £	2015 £
<u>Income and endowments from:</u>			
Donations	3	25,630	196,256
Housing benefits	4	198,374	152,131
Other trading activities	5	835,876	751,923
Investment income	6	4,121	1,978
Other income	7	16,251	11,559
Total income and endowments		1,080,252	1,113,847
<u>Expenditure on:</u>			
Charitable activities	8	937,212	953,330
Net income for the year/ Net movement in funds		143,040	160,517
Fund balances at 1 July 2015		1,335,882	1,175,365
Fund balances at 30 June 2016		1,478,922	1,335,882

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 2016**

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,109,231		1,118,469
Current assets					
Debtors	13	71,093		78,194	
Cash at bank and in hand		390,613		220,779	
			461,706		298,973
Creditors: amounts falling due within one year	14	(92,015)		(81,560)	
Net current assets			369,691		217,413
Total assets less current liabilities			1,478,922		1,335,882
Income funds					
<u>Unrestricted funds</u>					
Designated funds	15	432,423		432,423	
General unrestricted funds		1,046,499		903,459	
			1,478,922		1,335,882
			1,478,922		1,335,882

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 2016, 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

.....
Mr R.M. Lethbridge
Trustee

.....
Ms H. Wolfson
Trustee

Company Registration No. 03489376

EMMAUS GLOUCESTERSHIRE**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	17		171,102		146,579
Investing activities					
Purchase of tangible fixed assets		(5,389)		(215,548)	
Interest received		4,121		1,978	
Net cash used in investing activities			(1,268)		(213,570)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			169,834		(66,991)
Cash and cash equivalents at beginning of year			220,779		287,770
Cash and cash equivalents at end of year			390,613		220,779

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. 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.

These accounts for the year ended 30 June 2016 are the first accounts of Emmaus Gloucestershire prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

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.

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 and intangible 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.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Accounting policies

(Continued)

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.

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 receipts 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.

EMMAUS GLOUCESTERSHIRE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2016****1 Accounting policies (Continued)****1.12 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.

3 Donations

	2016	2015
	£	£
Donations	10,797	5,454
Gift aid donations	14,833	802
Assets donated	-	190,000
	<u>25,630</u>	<u>196,256</u>

4 Housing benefits

	2016	2015
	£	£
Housing benefit	<u>198,374</u>	<u>152,131</u>

5 Other trading activities

	2016	2015
	£	£
Shop income	<u>835,876</u>	<u>751,923</u>

EMMAUS GLOUCESTERSHIRE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2016****6 Investment income**

	2016	2015
	£	£
Rental income	3,193	858
Interest receivable	928	1,120
	<u>4,121</u>	<u>1,978</u>

7 Other income

	2016	2015
	£	£
Grants	15,000	815
Misc. income	1,251	10,744
	<u>16,251</u>	<u>11,559</u>

8 Charitable activities

	2016	2015
	£	£
Staff costs	419,480	417,278
Depreciation and impairment	14,627	15,613
Other costs	498,960	517,439
Governance costs	4,145	3,000
	<u>937,212</u>	<u>953,330</u>
	<u>937,212</u>	<u>953,330</u>

Included in governance costs is auditors remuneration of £3,245 (2015: £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 (2015- £1,498).

Trustees travel expenses of £889 have been met by the charity.

EMMAUS GLOUCESTERSHIRE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2016****10 Employees****Number of employees**

The average monthly number employees during the year was:

	2016	2015
	Number	Number
Shop/warehouse	8	9
Office/admin	5	4
Companion support	6	5
	<u>19</u>	<u>18</u>

Employment costs

	2016	2015
	£	£
Wages and salaries	<u>419,480</u>	<u>417,278</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 2015	1,104,524	7,081	110,395	104,671	1,326,671
Additions	-	-	5,389	-	5,389
At 30 June 2016	<u>1,104,524</u>	<u>7,081</u>	<u>115,784</u>	<u>104,671</u>	<u>1,332,060</u>
Depreciation and impairment					
At 1 July 2015	15,058	7,081	95,353	90,710	208,202
Depreciation charged in the year	1,807	-	5,458	7,362	14,627
At 30 June 2016	<u>16,865</u>	<u>7,081</u>	<u>100,811</u>	<u>98,072</u>	<u>222,829</u>
Carrying amount					
At 30 June 2016	<u>1,087,659</u>	<u>-</u>	<u>14,973</u>	<u>6,599</u>	<u>1,109,231</u>
At 30 June 2015	<u>1,089,466</u>	<u>-</u>	<u>15,042</u>	<u>13,961</u>	<u>1,118,469</u>

EMMAUS GLOUCESTERSHIRE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2016**

12 Financial instruments	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	22,899	39,068
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	32,639	22,898
	<u> </u>	<u> </u>
 13 Debtors	 2016	 2015
	£	£
Amounts falling due within one year:		
Trade debtors	5,035	1,211
Other debtors	26,652	44,413
Prepayments and accrued income	39,406	32,570
	<u> </u>	<u> </u>
	<u>71,093</u>	<u>78,194</u>
 14 Creditors: amounts falling due within one year	 2016	 2015
	£	£
Other taxation and social security	8,533	8,560
Trade creditors	30,775	21,134
Other creditors	1,864	1,764
Accruals and deferred income	50,843	50,102
	<u> </u>	<u> </u>
	<u>92,015</u>	<u>81,560</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	Movement in funds		Balance at 30
	July 2015	Incoming	Resources	June 2016
	£	resources	expended	£
		£	£	
Property and Development Fund	432,423	-	-	432,423
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>432,423</u>	<u> </u>	<u> </u>	<u>432,423</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16 Related party transactions

There were no disclosable related party transactions during the year (2015- none).

EMMAUS GLOUCESTERSHIRE**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*****FOR THE YEAR ENDED 30 JUNE 2016***

17 Cash generated from operations	2016	2015
	£	£
Surplus for the year	143,040	111,535
Adjustments for:		
Investment income recognised in profit or loss	(4,121)	(1,978)
Depreciation and impairment of tangible fixed assets	14,627	15,613
Movements in working capital:		
Decrease in debtors	7,101	317
Increase in creditors	10,455	21,092
Cash generated from operations	<u>171,102</u>	<u>146,579</u>

EMMAUS GLOUCESTERSHIRE**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2016**

	Barnwood Road £	58A £	Manor Gardens £	Central Road £	Chequers Road £	Cheltenham £	Nailsworth £	Stroud £	Restore/ Esales £	Corporate £	Total 2016 £	Total 2015 £
Income												
Trading income	-	-	-	-	342,790	94,252	189,406	154,682	54,746	-	835,876	744,398
Misc.commercial inc	-	-	520	-	-	-	-	-	-	731	1,251	8,296
Housing benefit	145,173	13,930	3,193	36,078	-	-	-	-	-	-	198,374	152,132
Donations	-	-	-	-	127	-	200	100	-	25,203	25,630	6,256
Assets donated	-	-	-	-	-	-	-	-	-	-	-	190,000
Grants & fundraising	-	-	-	-	-	-	-	-	-	15,000	15,000	8,738
Interest & misc.	3,193	-	-	-	-	-	-	-	-	928	4,121	4,027
	148,366	13,930	3,713	36,078	342,917	94,252	189,606	154,782	54,746	41,862	#REF!	1,113,847
Cost of sales												
Retail shop costs	-	-	-	-	5,075	2,180	2,532	2,469	1,658	-	13,914	11,308
W-shop supplies	-	-	-	-	1,201	-	-	-	1,351	-	2,552	3,301
Small tools and misc.	-	-	-	-	845	-	-	-	-	22,644	23,489	-
Ebay costs	-	-	-	-	-	44	-	-	4,210	-	4,254	23
	-	-	-	-	7,121	2,224	2,532	2,469	7,219	22,644	44,209	14,632
Publicity												
Newsletter	-	-	-	-	-	-	-	-	-	1,601	1,601	215
Marketing/PR	-	-	-	-	-	-	-	-	-	530	530	6,183
Anniversary Celebration	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	2,131	2,131	6,398

EMMAUS GLOUCESTERSHIRE**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2016**

	Barnwood Road £	58A £	Manor Gardens £	Central Road £	Chequers Road £	Cheltenham £	Nailsworth £	Stroud £	Restore/ Esales £	Corporate £	Total 2016 £	Total 2015 £
Vehicles and travel												
Travel & subsistence	1,272	4	-	51	50	158	388	3	-	3,616	5,542	6,456
Companion travel	-	-	-	-	5	2,884	4	-	-	-	2,893	2,538
Vehicles	4,732	-	-	796	11,793	1,512	1,683	6,192	282	734	27,442	33,283
Vehicles insurance	1,235	-	-	-	1,498	1,482	772	1,364	-	-	6,351	6,549
Depreciation vehicle	53	-	-	-	6,276	-	-	1,033	-	-	7,362	9,486
	7,292	4	-	847	19,622	6,036	2,847	8,592	282	4,350	49,872	58,312
Staff costs												
Wages, NI & pens	88,396	-	-	-	66,414	11,375	16,898	15,259	11,250	210,205	419,797	417,278
Recruit/agency costs	64	-	-	-	843	-	52	123	-	7,018	8,100	39,028
Volunteer costs	78	-	-	-	918	189	269	125	-	1,535	3,114	2,505
	88,538	-	-	-	68,175	11,564	17,219	15,507	11,250	218,758	431,011	458,811

EMMAUS GLOUCESTERSHIRE**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2016**

	Barnwood Road £	58A £	Manor Gardens £	Central Road £	Chequers Road £	Cheltenham £	Nailsworth £	Stroud £	Restore/ Esales £	Corporate £	Total 2016 £	Total 2015 £
Costs of supporting companions												
Allowances	57,070	4,881	1,360	11,241	-	-	-	-	-	-	74,552	68,166
Exps, food, clothing	39,640	3,592	586	8,410	353	30	100	26	-	-	52,737	51,910
Entertainment	10,428	1,052	571	1,790	7	-	-	-	-	-	13,848	15,033
Holidays	10,840	1,551	636	3,374	-	-	-	-	-	-	16,401	145,582
Travel - pers	1,935	-	100	348	-	-	-	-	-	-	2,383	5,699
	<u>119,913</u>	<u>11,076</u>	<u>3,253</u>	<u>25,163</u>	<u>360</u>	<u>30</u>	<u>100</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>159,921</u>	<u>155,390</u>
Training & development												
Companion training	1,473	231	-	427	372	-	-	-	-	491	2,994	1,125
Staff/trustee/ training	-	-	1,200	-	1,164	214	214	214	-	8,952	11,958	12,508
Conferences	-	-	-	-	-	-	-	-	-	2,476	2,476	1,874
	<u>1,473</u>	<u>231</u>	<u>1,200</u>	<u>427</u>	<u>1,536</u>	<u>214</u>	<u>214</u>	<u>214</u>	<u>-</u>	<u>11,919</u>	<u>17,428</u>	<u>15,507</u>

EMMAUS GLOUCESTERSHIRE**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2016**

	Barnwood Road £	58A £	Manor Gardens £	Central Road £	Chequers Road £	Cheltenham £	Nailsworth £	Stroud £	Restore/ Esales £	Corporate £	Total 2016 £	Total 2015 £
Premises												
Rent	-	-	1,296	-	-	10,225	-	21,772	9,000	413	42,706	36,376
Water, elec. & gas	18,594	1,481	448	2,151	19,483	2,667	1,237	3,054	1,558	-	50,673	50,522
Rates	1,345	1,435	288	1,435	2,906	931	-	251	25	-	8,616	8,765
Insurance	2,268	996	370	830	3,432	2,806	1,262	2,733	456	1,672	16,825	13,608
Telephone	924	247	395	280	4,710	586	622	777	50	457	9,048	9,646
Comp. & stationery	936	-	-	-	1,362	67	52	56	30	17,872	20,375	10,813
Prem maint/cleaning	3,123	61	52	60	9,601	263	213	588	-	297	14,258	12,745
Repairs & renewals	9,146	406	-	3,077	724	308	562	268	957	6,564	22,012	44,223
Property/Shop improvements	-	-	-	-	-	-	-	-	-	-	-	48,982
Deprec & lease w/d	2,635	218	-	-	1,035	75	2,018	184	520	580	7,265	6,127
Loss by theft w/o	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-	-	5,147
	38,971	4,844	2,849	7,833	43,253	17,928	5,966	29,683	12,596	27,855	191,778	246,954
Professional fees												
Audit & prof fees	-	-	-	-	-	-	-	-	-	9,745	9,745	7,026
Subscriptions	-	-	-	-	200	-	-	-	-	12,372	12,572	18,139
EUK Subs recalculated	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	200	-	-	-	-	22,117	22,317	25,165

EMMAUS GLOUCESTERSHIRE**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2016**

	Barnwood Road £	58A £	Manor Gardens £	Central Road £	Chequers Road £	Cheltenham £	Nailsworth £	Stroud £	Restore/ Esales £	Corporate £	Total 2016 £	Total 2015 £
Financial costs												
Loan interest	-	-	-	-	-	-	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-	-	-	29	2,441	2,470	2,021
	-	-	-	-	-	-	-	-	29	2,441	2,470	2,021
Solidarity												
Solidarity dons E UK	-	-	-	-	-	-	-	-	-	-	-	-
Solidarity donations	140	-	-	-	-	-	-	-	-	(132)	8	11,760
Solidarity exps	1,119	-	-	-	-	-	-	-	-	14,948	16,067	7,362
Solidarity wages	-	-	-	-	-	-	-	-	-	-	-	-
	1,259	-	-	-	-	-	-	-	-	14,816	16,075	19,122
Total costs	256,187	16,155	7,302	34,270	140,267	37,996	28,878	56,491	31,376	327,031	937,212	1,002,312
Net surplus	(107,821)	(2,225)	(3,589)	1,808	202,650	56,256	160,728	98,291	23,370	(285,169)	#REF!	111,535