

Charity Registration No. 1073808

Company Registration No. 3692409 (England and Wales)

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

EMMAUS ST ALBANS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R.A. Exact	(Appointed 17 July 2017)
	R.S. Fraser	
	H.M. Hurford	(Appointed 22 May 2017)
	I. Marshall	
	V.J. Molloy	
	C.P. Newton-Smith	(Appointed 21 November 2016)
	K. N. Tolladay	
Chief Executive Officer	A.H. Ferrier	
Secretary	I. Marshall	
Charity number	1073808	
Company number	3692409	
Principal address and registered office	Hill End Lane St Albans Herts AL4 0FE	
Auditors	FB Hay Associates Ltd Chartered Accountants The Old Church 48 Verulam Road St Albans Hertfordshire AL3 4DH	
Bankers	Royal Bank of Scotland plc 1 Lockey House St Peters Street St Albans Hertfordshire AL1 3LR	
	Barclays Bank plc Leicester LE87 2BB	
Accountants	MSB Accounting Ltd Unit D2, The Courtyard Alban Park Hatfield Road St. Albans Hertfordshire AL4 0LA	

EMMAUS ST ALBANS

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EMMAUS ST ALBANS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2017

The trustees, who are also directors of Emmaus St Albans for the purposes of the Companies Act, submit their report and accounts of the Charity 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) (effective 1 January 2015)"

Objectives and Activities

The objects are the alleviation and relief of poverty, hardship and distress in the St. Albans area although we operate across Hertfordshire and North London. The policies adopted in furtherance of these objectives are the provision of accommodation, assistance and meaningful work for homeless people within a community run in accordance with the concepts and principles of Emmaus and the international manifesto.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

About Emmaus St Albans

Emmaus is a homelessness charity with a difference. We do not just give people a bed for the night; we offer a home, meaningful work and a sense of belonging.

For many people who have experienced homelessness, losing their self-esteem can be the most damaging part of their experience. Being on your own, with no support around you and no access to meaningful occupation can be soul destroying, leaving you feeling worthless.

Emmaus is different because it provides a home for as long as someone needs it while supporting people to work their way out of homelessness. This gives companions, as we call our residents, the opportunity to take stock of their lives, deal with any issues they might have, learn new skills and often re-establish relationships with loved ones. The community is one of twenty-eight currently operating in the UK which offer companions a practical way to move from homelessness and dependency on state benefits to taking responsibility for their own lives.

Emmaus St Albans operates a robust business which has provided self-sustaining income for the seventh consecutive year. We have maintained our furniture reuse shops across Hertfordshire and North London and have been fortunate in receiving strong local support. The business is staffed predominately by our companions. The demand for companion spaces in our community continues at an unprecedented level and we have endeavoured to meet this with individually tailored support and practical help. We have a small staff team of exceptional skill, dedication and resourcefulness. The team works in partnership with other organisations, as necessary, to create new life opportunities for those in need, whilst simultaneously ensuring that the business operates to the highest possible standards.

We continue to be most grateful to our increasing number of supporters who have donated so generously to our shops and supported our building plans. This has allowed us to expand our shop at the community to the benefit of our customers and the companions who work in the shop and undertake collections and deliveries. We are constantly surprised by both the quantity and particularly the quality of what we receive for refurbishment in our workshop and resale in our shops. We have also had strong support from businesses including regular donations of food which helps us to feed our companions and provide a regular hot meal each week to a local night shelter.

EMMAUS ST ALBANS

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

Across the Emmaus movement solidarity support comes in many forms either between communities, by contributing operational surplus to the Emmaus Fund from which developing communities may draw, or in more practical ways. A wide range of local charitable causes have been supported by staff and companions. We continue to provide essential items to the street homeless at Christmas and in total have given some £17,000 to charitable causes.

We have also provided:

- Free furniture for those in greatest hardship
- A 20% price reduction for all customers on benefits
- Support to rough sleepers in December through a rucksack project
- Worked in partnership with HACRO, HAFLS and Verulam Park Wildlife Trust
- Participated in the St Albans Abbey sleep out
- Provided hot meals for the Centre 33 night shelter
- Trained new members of staff from other Emmaus communities

Throughout 2017 we have also continued to work with charities in France who provide humanitarian aid for refugees in the Calais area. This has been done almost entirely outside regular "working hours" by companions, staff and volunteers giving their free time.

Achievements and Performance for the year ended 30 June 2017

Our key objectives are to provide accommodation for, and rehabilitation of, our companion residents. This year we have been able to give support to 68 individuals (67 in 2016) by welcoming them into our community.

	2017	2016
Average Age:	42	40
Gender:	89%M 11%F	92%M 8%F
Alcohol Abuse:	38%	53%
Substance Abuse:	51%	40%
Ex-offenders:	47%	50%
Mental health needs:	52%	42%
Occupancy rate:	97%	96%
Positive "move-ons":	44%	46%
Companion rooms:	35	35

Every companion is supported whilst in residence and as they leave.

The average stay at the community was 16 months which has increased this year due to fewer short stays. The length of stay largely depends on individual companion needs but our experience shows that an average stay is between 14 to 20 months.

Our successes are wide ranging and include:

- Move on to private rented accommodation with full time employment in car sales
- Move on into new relationship after engagement and employment in family business
- Move on to supported living accommodation in Wheathampstead
- Move on into private rented accommodation after gaining an Emmaus funded qualification in tree surgery and then employment locally with a national tree surgery company
- Relocation to be with family
- Private rented accommodation and employment as van delivery driver in London
- Private rented accommodation after inheritance received
- Relocation to another Emmaus community to be closer to children
- Private rented accommodation and driver's job with local moveable storage company
- Emergency accommodation provided to vulnerable female fleeing domestic violence
- Maintenance apprenticeship position provided to companion from another Emmaus community
- Allowed ex-offender on release from prison access to his two young children through providing regular drug tests.

EMMAUS ST ALBANS

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

Emmaus St Albans continues to provide 35 companion rooms. The occupancy rate of 97% exceeds the Emmaus federation five year target (90%). Homelessness is rising nationally and we continue to receive more referrals than we can accept (163 received across the year with 33 places offered, 4.9 referrals considered for each room available). The average age of referrals at 36 continues to fall. Referrals from prison (or with previous convictions) and referrals with severe mental health needs increased considerably during the year. We received more referrals from the local area after closer working with local night shelters and temporary accommodation services.

Principal Funding Sources

The principal unrestricted funding sources for the charity are currently shop income, gift aid, donations and housing benefit.

Financial Review

Overall, gross income for the year at £1,103,566 was marginally lower than the £1,107,883 achieved during the prior year. Although income from Donations and Legacies increased by £21,182, largely due to specific fundraising for capital works, this was offset by a shortfall in Other Trading Activities of £26,955, mainly attributable to the closure, for redevelopment, of our Hertford shop. However, on a 'like for like' same shop basis the trading activity income was barely changed. The impact of the shop closure and consequent lack of overall sales growth was counteracted by firm cost controls which resulted in overall expenditure being reduced to £1,009,547, some one per cent below the £1,018,851 in 2016. During the year our established group of shops consisted of; St Albans, Harpenden, Hemel Hempstead, Barnet and Tring. A new shop in Hertford was opened in June 2017.

Housing benefit receipts rose marginally to £302,020 due to the slightly improved occupancy rate (2016: £300,564).

Resulting from the above variations the Net Income for the year was £82,096, a six per cent increase over 2016 at £77,120.

The charity continues to be run efficiently while seeking to achieve high standards of governance. No member of staff is paid more than £60,000 per annum and no trustees have claimed any expenses during the financial year.

Treasury Policy

Aside from retaining a prudent amount in reserves most of the charity funds are to be spent in the short term so there are few funds for long term investment. Having considered the options available, the trustees have approved an arrangement whereby surplus funds, including grants received in advance are transferred to an interest bearing account.

Reserves Policy

Whilst significant Unrestricted funds have accumulated over the years these are reflected in investments in fixed assets and are therefore illiquid. To enable the charity to meet its obligations as they fall due and provide a contingency from an unexpected decline in income, delay in receipts, or increase in costs, the charity continually monitors the adequacy of its liquid funds. As the year closed, the assessment of liquidity required to meet existing commitments and the equivalent of three months future operating costs, was £265,000 (as recommended by the Charity Commission and NCVO), whilst actual cash resources were £318,659.

EMMAUS ST ALBANS

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

Strategy and Risk Management

Responsibility for the organisation's strategic direction rests with the trustees who invite the input of other stakeholders. Systems and procedures have been established as appropriate to identify and mitigate the risks the charity faces.

A major element of the charity's activities and costs relate to its property commitments. A separate committee ensures that the requirements, suitability and utilisation remain consistent with the charity's strategic plans.

The Risk Register is prepared in accordance with the Charity Commission document (CC26 dated June 2010).

The key risk identified in the Charity's Risk Register is the Government proposal to reduce Housing Benefit from April 2019. Although the exact details of this are unclear, due to a further Government consultation on the provision of sheltered accommodation, we estimate that Housing Benefit income could fall by some £43,000 a year. We are actively planning to mitigate this risk by further developing our trading activities over the next 12 months, including widening the customer base at our new shop in Hertford and developing a house clearance business.

Procedures are in place to ensure compliance with health and safety of staff, volunteers, companions and visitors.

Structure, Governance and Management

The charity is a company limited by guarantee, incorporated on 6th January 1999 and registered as a charity on 3rd February 1999. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association, which were last revised in May 2014. A copy is available on request from the Company Secretary.

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

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

A. M. Brown	(Resigned 21 November 2016)
R.A. Exact	(Appointed 17 July 2017)
R.S. Fraser	
H.M. Hurford	(Appointed 22 May 2017)
C. M. Lavin	(Resigned 28 March 2017)
I. Marshall	
V.J. Molloy	
C.P. Newton-Smith	(Appointed 21 November 2016)
M. Sklar	(Resigned 28 November 2017)
K. N. Tolladay	

Note: Post year end event

R. A. Exact	(Appointed 17 July 2017)
M. Sklar	(Resigned 28 November 2017)

EMMAUS ST ALBANS

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

Recruitment and Appointment of Trustees

Under the requirements of the Memorandum and Articles of Association at least one third of the trustees are required to retire by rotation at each Annual General Meeting. Furthermore, the Company's Articles of Association require each new trustee who has been appointed by the Board since the last General Meeting to retire and offer themselves for reappointment by the members.

The charity seeks to ensure that the trustee body includes individuals with experience of the needs of homeless individuals as well as the more traditional business skills.

Trustees are required to provide a list of their skills, (and update it each year), and in the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election to the trustee body. Emmaus St Albans is a member of the National Council for Voluntary Organisations (NCVO) and positively recruits for trustees with specific skills.

Statement of trustees responsibilities

Company and Charity law applicable to charities in England and Wales 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 Charity for that year. In preparing those financial statements the trustees have:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepared the financial statements on a going concern basis.

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The trustees are responsible for the strategic direction and policy of the charity. At the year-end there were seven trustees from a variety of professional backgrounds relevant to the work of the charity. The trustees meet regularly throughout the year. Other than meetings containing confidential matter, all board meetings are open to all staff, volunteers and companions who may participate in all pre-voting discussions.

Our current five year Strategic Plan commenced in 2015 following the adoption by the Emmaus federation of a revised Strategic Plan at the Emmaus UK Annual General Meeting in January 2015. The plan provides a strong and clear unifying framework and has been developed to align with the federation's vision, mission and values.

Connected Charities

The charity is a member of Emmaus UK federation, together with other Emmaus groups and communities. The charity is also a member of Emmaus Europe and Emmaus International.

The directors of Emmaus St Albans incorporated a new company, Emmaus Hertfordshire (No: 10687735) on 23 March 2017. The intention is that this company will be used for promotion, publicity and fundraising, but it remained dormant during the period to 30 June 2017.

Auditor

The auditor, FB Hay Associates Ltd, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

EMMAUS ST ALBANS

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

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.



C.P. Newton-Smith

Trustee

Dated: 16 January 2018



K. N. Tolladay

Trustee

Dated: 16 January 2018

EMMAUS ST ALBANS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMMAUS ST ALBANS

Opinion

We have audited the accounts of Emmaus St Albans (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, 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.

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, except to the extent otherwise explicitly stated in our report, 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.

EMMAUS ST ALBANS

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trustees and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters in relation to which 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
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees 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

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 section 144 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.



Stuart Hay FCA (Senior Statutory Auditor)
for and on behalf of FB Hay Associates Ltd

1 February 2018

Chartered Accountants
Statutory Auditor

The Old Church
48 Verulam Road
St Albans
Hertfordshire
AL3 4DH

EMMAUS ST ALBANS

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

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Donations and legacies	3	39,308	78,018	117,326	96,144
Charitable activities	4	302,020	-	302,020	300,564
Other trading activities	5	684,220	-	684,220	711,175
Investments	6	77	-	77	88
Total income		1,025,625	78,018	1,103,643	1,107,971
<u>Expenditure on:</u>					
Raising funds	7	20,268	-	20,268	16,413
Charitable activities	8	980,615	20,664	1,001,279	1,011,521
Net loss on disposal of tangible fixed assets		-	-	-	2,917
Total resources expended		1,000,883	20,664	1,021,547	1,030,851
Net income for the year/ Net movement in funds		24,742	57,354	82,096	77,120
Fund balances at 1 July 2016		874,519	436,398	1,310,917	1,233,797
Fund balances at 30 June 2017		899,261	493,752	1,393,013	1,310,917

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 ST ALBANS

BALANCE SHEET

AS AT 30 JUNE 2017


	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	12		1,042,875		933,670
Current assets					
Debtors	13	111,321		118,425	
Cash at bank and in hand		318,659		363,514	
		<u>429,980</u>		<u>481,939</u>	
Creditors: amounts falling due within one year	15	<u>(79,842)</u>		<u>(104,034)</u>	
Net current assets			350,138		377,905
Total assets less current liabilities			1,393,013		1,311,575
Creditors: amounts falling due after more than one year	16		-		(658)
Net assets			<u>1,393,013</u>		<u>1,310,917</u>
Income funds					
Restricted funds	17		493,752		436,398
Unrestricted funds			899,261		874,519
			<u>1,393,013</u>		<u>1,310,917</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 acknowledge their 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 16 January 2018



C.P. Newton-Smith
Trustee



K. N. Tolladay
Trustee

Company Registration No. 3692409

EMMAUS ST ALBANS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	22		131,792		114,190
Investing activities					
Purchase of tangible fixed assets		(161,801)		(15,953)	
Proceeds on disposal of tangible fixed assets		-		1,050	
Interest received		77		88	
Net cash used in investing activities			(161,724)		(14,815)
Financing activities					
Payment of obligations under finance leases		(14,923)		(13,717)	
Net cash used in financing activities			(14,923)		(13,717)
Net (decrease)/increase in cash and cash equivalents			(44,855)		85,658
Cash and cash equivalents at beginning of year			363,514		277,856
Cash and cash equivalents at end of year			318,659		363,514

EMMAUS ST ALBANS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Charity information

Emmaus St Albans is a private company limited by guarantee incorporated in England and Wales. The registered office is Hill End Lane, St Albans, Herts, AL4 0FE.

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. 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.

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.

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised only when receivable.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

EMMAUS ST ALBANS

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 measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	2% straight line
Fixtures, fittings & equipment	33% and 20% straight line
Motor vehicles	20% straight line

1.7 Stocks

The Charity held undistributed assets, principally donated goods awaiting resale, at the year end that have not been recognised in these financial statements. The value of these is dependent on what a willing buyer would pay and hence it is not practical to estimate.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 ST ALBANS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations and gifts	39,308	78,018	117,326	96,144
For the year ended 30 June 2016	<u>48,093</u>	<u>48,051</u>		<u>96,144</u>
Donations and gifts				
John Apthorp	-	-	-	20,000
3T's Charitable Trust	-	-	-	10,000
Steel Charitable Trust	-	-	-	5,000
Sam Portland	-	-	-	4,452
Calais donations	-	2,838	2,838	7,689
Other donations and gift aid	39,308	20,160	59,468	49,003
Crash Charity	-	20,020	20,020	-
Thelma Roberts Estate	-	15,000	15,000	-
David Laing Foundation	-	10,000	10,000	-
Lottery grant	-	10,000	10,000	-
	<u>39,308</u>	<u>78,018</u>	<u>117,326</u>	<u>96,144</u>

4 Charitable activities

	2017	2016
	£	£
Housing benefit	<u>302,020</u>	<u>300,564</u>

5 Other trading activities

	2017	2016
	£	£
Sales of donated furniture	<u>684,220</u>	<u>711,175</u>

EMMAUS ST ALBANS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

6 Investments

	2017	2016
	£	£
Interest receivable	77	88
	<u>77</u>	<u>88</u>

7 Raising funds

	2017	2016
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	20,268	16,413
	<u>20,268</u>	<u>16,413</u>
	<u>20,268</u>	<u>16,413</u>

EMMAUS ST ALBANS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

8 Charitable activities

	Community running costs £	Solidarity payments £	Total 2017 £	Total 2016 £
Staff costs	340,308	-	340,308	336,455
Depreciation and impairment	52,596	-	52,596	58,006
Companion costs	160,757	-	160,757	171,138
Recruitment and training	8,898	-	8,898	7,239
Premises costs	252,350	-	252,350	237,024
Vehicle fleet and travel costs	48,494	-	48,494	49,136
Equipment hire and workshop	15,503	-	15,503	17,400
Shop start-up	6,477	-	6,477	990
Community All Risks Insurance	27,850	-	27,850	28,561
Accounting, legal and banking	28,749	-	28,749	32,854
Administration	16,036	-	16,036	17,100
Support to others	-	16,603	16,603	28,605
Contribution to Emmaus UK development fund	-	12,000	12,000	12,000
	958,018	28,603	986,621	996,508
Share of support costs (see note 9)	5,345	-	5,345	5,700
Share of governance costs (see note 9)	9,313	-	9,313	9,313
	972,676	28,603	1,001,279	1,011,521
Analysis by fund				
Unrestricted funds	954,850	25,765	980,615	
Restricted funds	17,826	2,838	20,664	
	972,676	28,603	1,001,279	
For the year ended 30 June 2016				
Unrestricted funds	955,531	33,208		988,739
Restricted funds	15,385	7,397		22,782
	970,916	40,605		1,011,521

Support to others (including other Emmaus communities) : £13,540 (2016 : £21,083) and Calais support £3,063 (2016 : £7,522).

EMMAUS ST ALBANS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

9 Support costs

	Support costs £	Governance costs £	2017 £	2016 £	Basis of allocation
Administration	5,345	-	5,345	5,700	25%
Accountancy	-	6,063	6,063	6,063	25%
Audit fee	-	3,250	3,250	3,250	Full cost
	<u>5,345</u>	<u>9,313</u>	<u>14,658</u>	<u>15,013</u>	
Analysed between Charitable activities	<u>5,345</u>	<u>9,313</u>	<u>14,658</u>	<u>15,013</u>	

Governance costs includes payments to the auditors of £3,250 (2016 - £3,250) for audit fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or reimbursement of expenses during the year.

The Charity provides supplementary indemnity insurance cover for all trustees (2017: £745 - 2016: nil)

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2017 Number	2016 Number
Management and administration	<u>13</u>	<u>13</u>
Employment costs	2017 £	2016 £
Wages and salaries	306,328	304,248
Social security costs	23,972	24,482
Other pension costs	10,008	7,725
	<u>340,308</u>	<u>336,455</u>

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

EMMAUS ST ALBANS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

12 Tangible fixed assets

	Land and buildings leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2016	1,223,293	86,788	176,077	1,486,158
Additions	159,471	2,330	-	161,801
At 30 June 2017	1,382,764	89,118	176,077	1,647,959
Depreciation and impairment				
At 1 July 2016	342,123	77,651	132,714	552,488
Depreciation charged in the year	34,551	3,479	14,566	52,596
At 30 June 2017	376,674	81,130	147,280	605,084
Carrying amount				
At 30 June 2017	1,006,090	7,988	28,797	1,042,875
At 30 June 2016	881,170	9,137	43,363	933,670

13 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	9,644	15,721
Other debtors	42,271	42,854
Prepayments and accrued income	59,406	59,850
	111,321	118,425

EMMAUS ST ALBANS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

14 Finance lease commitments

Future minimum lease payments due under finance leases:

	2017 £	2016 £
Within one year	662	15,627
Within two and five years	-	663
	662	16,290
Less: future finance charges	(4)	(709)
	658	15,581

15 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Obligations under finance leases		658	14,923
Other taxation and social security		6,461	7,222
Trade creditors		18,672	36,658
Other creditors		29,208	21,519
Accruals and deferred income		24,843	23,712
		79,842	104,034

16 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases		-	658

EMMAUS ST ALBANS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

17 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 July 2016 £	Movement in funds		Balance at 30 June 2017 £
		Incoming resources £	Resources expended £	
<u>Hill End Community fund:</u>				
2001 - National Lottery Grant	354,037	-	(9,973)	344,064
2006/2014 - Various improvements	43,743	-	(3,376)	40,367
2017 - Shop extension	35,910	55,120	(2,564)	88,466
2017 - Flat conversion	-	7,560	-	7,560
	433,690	62,680	(15,913)	480,457
Calais fund	-	2,838	(2,838)	-
Portland fund	2,708	-	(1,413)	1,295
Gardening fund	-	12,000	-	12,000
Software fund	-	500	(500)	-
	436,398	78,018	(20,664)	493,752

Hill End Community fund - This fund was initially established with the National Lottery Grant and used for the refurbishment of the building. Over the years further external funding has enabled structural improvements, including a new heating system, to be created. The resources expended on these funds represent the annual depreciation based on the remaining lives of the underlying assets

Calais fund - This was donated specifically towards the Calais fund.

Portland fund - This was donated specifically to be spent on companions entertainment events.

Gardening fund - This fund is to be used for the gardening project

Software fund - This fund is to be used to purchase new software.

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 30 June 2017 are represented by:			
Tangible assets	569,978	472,897	1,042,875
Current assets/(liabilities)	329,283	20,855	350,138
	899,261	493,752	1,393,013

EMMAUS ST ALBANS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

19 Contingent Liabilities

During its formative years Emmaus St Albans received development funding of £214,286 from Emmaus UK. These sums were advanced without an interest coupon or a repayment requirement. The Emmaus ethos of solidarity is based on the practice that once a community becomes fully established it too is encouraged to contribute some of its surplus funds to the Emmaus UK Solidarity funds so that other communities may have access to similar funding benefits. Emmaus St Albans fully supports this concept and as and when its total funds exceed its own internal and reserve requirements it will give consideration to making further contributions, initially, up to a total amount, at least matching its original funding.

Given the uncertainty of both timing and amounts of any possible future contributions no specific financial provision is included in these accounts. During the year ended 30 June 2017 such contributions amounted to £12,000 (2016 - £12,000).

As at 30 June 2017 the net balance of funding received from Emmaus UK (original development funding less contributions to date) amounted to £71,661 (2016 - £83,661).

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	178,000	143,000
Between two and five years	466,000	478,000
In over five years	423,000	603,000
	<u>1,067,000</u>	<u>1,224,000</u>

21 Related party transactions

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

22 Cash generated from operations

	2017 £	2016 £
Surplus for the year	82,096	77,120
Adjustments for:		
Investment income recognised in statement of financial activities	(77)	(88)
(Gain)/loss on disposal of tangible fixed assets	-	2,917
Depreciation and impairment of tangible fixed assets	52,596	58,006
Movements in working capital:		
Decrease/(increase) in debtors	7,104	(14,085)
(Decrease) in creditors	(9,927)	(9,680)
Cash generated from operations	<u>131,792</u>	<u>114,190</u>