

Registered number: 3422341

Charity number: 1064470

**EMMAUS UK**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 30 June 2007**

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# EMMAUS UK

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**Legal and administrative information  
For the year ended 30 June 2007**

<b>President</b>	Terry Waite CBE
<b>Trustees</b>	Martin Davies (Chair) David Bex Kelvin Butler Fleming Carswell Raja Gomez (appointed 1/12/2006) John Grieves Sir Michael Heron Anthony Hester (resigned 1/12/2006) Clive Hewitt John Noble (appointed 1/12/2006) Richard Pendlebury David Perry (appointed 22/3/2007) Maureen Porter Donald Simpson Richard Spooner (resigned 21/6/2007) Anthony Woodhouse (resigned 1/12/2006)
<b>Company Number</b>	3422341
<b>Charity Number</b>	1064470
<b>Registered Office</b>	48 Kingston Street Cambridge CB1 2NU
<b>Secretary</b>	Donald Simpson
<b>Director</b>	Charles Timothy Page
<b>Auditors</b>	Mazars LLP Times House Throwley Way Sutton Surrey SM1 4JQ
<b>Main Bankers</b>	CAFCASH Limited Kings Hill West Malling Kent ME19 4TA  NatWest Plc 18 High Street Newmarket Suffolk CB8 8LH

## **EMMAUS UK**

### **TRUSTEES' REPORT**

**For the year ended 30 June 2007**

#### **Statement by the Board of Trustees**

1. The Trustees, who are also directors of Emmaus UK (the Charity) for the purposes of the Companies Act, submit their annual report and the financial statements of the Charity for the year ended 30 June 2007. The Trustees confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities 2005.

#### **History and Purpose of the Emmaus Movement**

2. The Emmaus Movement (the Movement) was founded in 1949 by Abbé Pierre, a priest and member of the French Parliament, to combat poverty and homelessness. He began by sharing his presbytery with homeless people and the resulting Community supported itself by recycling and selling things that others had thrown away. The Movement has since grown worldwide and there are now over 400 Emmaus projects in more than 40 countries.

3. The first Emmaus Community in the UK was established in 1992 and the Charity now has a membership of 12 Communities and 13 Groups (the Federation) all of which are independent registered charities and companies limited by guarantee. The Charity is currently working with a further 12 Groups who are expected to join the Federation when they have reached the required stage of development. Communities offer homeless people a chance to regain their self-respect through living and working in a supportive environment which combines residential accommodation with a self-supporting business. These businesses are based largely on the collection and sale of donated goods as well as refurbishment and recycling. Every Emmaus Community aims to become self-sufficient through its business activity. In addition every Emmaus Community helps others by, for example, giving away furniture to households on low income and donating any surplus income to support others in greater need. Members of each Community, known as Companions, have the opportunity to help themselves through work and thereby rediscover their dignity and self-respect.

4. At Emmaus people are valued and accepted. There are only three conditions imposed on those accepted into a Community: They are asked:

- (a) to sign off Income Support, Job Seekers' Allowance and other primary benefits;
- (b) not to bring alcohol or drugs into the Community; and
- (c) to work to the best of their ability for at least 37 hours each week.

5. Each Companion receives food, clothing and accommodation, as well as a weekly allowance of around £34 per week. A further £5/£7 is deposited in a savings account each week and is given to them when they leave the Community.

#### **Our aims and activities**

6. The Charity provides support to all the members of the Federation, as well as to those Groups who are working towards membership of the Federation. It aims to develop and extend the support available to current and future Companions by:

- (a) Developing their understanding of the ethos and principles of the Movement
- (b) Providing support for the development and maintenance of stable and successful Communities
- (c) Providing advice and assistance to those working to establish new Communities
- (d) Working to develop a stronger and more effective Federation in the UK

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For the year ended 30 June 2007

- (e) Developing closer integration with the international Movement
7. The Charity's main activities for meeting these aims and achieving its objectives are:
- (a) the provision of support and advice to members of the Federation;
  - (b) a regional development programme; and
  - (c) the provision of financial support to members of the Federation in the form of grants from the Solidarity Fund.
8. Support and advice in the following areas are offered to members and, where appropriate, potential members of the Federation:
- (a) **Communications** – by supporting Communities and Groups in their local awareness-raising, providing visual identity guidelines and centralised publicity material, enabling the Federation to share information and maintain contact with each other and raising the profile of Emmaus in the UK.
  - (b) **Development** – by providing support in the recruitment and training of staff, volunteers and trustees, advice on HR and other statutory issues and legislation, assistance in the development of strategic and project plans for those working to set up Communities and providing relief and emergency cover to Communities for key staff absences.
  - (c) **Fundraising** – by advising Communities and Groups on all aspects of fundraising, providing a generic fundraising strategy, supporting local fundraising campaigns and raising money for the Solidarity Fund (see below).
  - (d) **Business development** – by coordinating the sharing of business expertise, experience and good practice around the Federation, providing advice on developing business plans, and investigating opportunities for diversification.
  - (e) **Regional development** – by assisting individuals or groups who are working towards establishing an Emmaus Community in their locality, in particular those who have not yet joined the Federation.
9. To support the development of Communities and Groups, the Charity makes grants to members of the Federation from the Solidarity Fund. The principal purpose of the Fund is to satisfy funding requirements which cannot be met from other sources within the necessary timescales; for example the recruitment and initial salary costs of a Project Worker, assistance with purchase or development of a site, or the payment of the initial salary of the first Community Leader in order to enable them to undergo suitable training before any Community opens.

### Achievements and Performance

10. In addition to the Charity's core task of supporting the establishment and maintenance of Communities for homeless people, the following progress has been made towards the Charity's objectives as set out in the last Trustee Report:

- (a) Increased contact with and learning from the Movement outside the UK and the encouragement of membership of Emmaus International.
  - (1) Over the past year the Charity has supported 7 Communities in becoming full members of Emmaus International, with the result that 11 out of the 12 Communities are now full members. In February 2007, Emmaus Burnley became the first Emmaus Group to align its affiliation with the Federation simultaneously with its trial membership of Emmaus International.
  - (2) In order to improve awareness of Emmaus' work in the UK across the international Movement, several publications have been translated into French and Spanish.

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For the year ended 30 June 2007

(3) Following the death of Abbé Pierre in January 2007, a Memorial Fund was established to support international solidarity by assisting the funding of travel costs for Companions to enable them to participate in Emmaus International events.

(b) Commissioned research into Emmaus businesses

Following a successful grant application to the East of England Development Agency (EEDA), the Charity appointed an external consultant to look at Emmaus businesses in the UK and in France, as well as investigate other furniture reuse projects. The research will focus on the difficulties faced by Emmaus businesses and how they might be overcome.

(c) Made grants totalling a minimum of £400,000 from the Solidarity Fund

At 30 June 2007, £292,665 was available for distribution in grants to the Federation. During the year, the Trustees made grants totalling £595,537 in response to applications from members of the Federation. Details of these Solidarity Grants are provided in Note 14 to the Financial Statements. An additional amount, in excess of £1.3m, and paid directly to individual Communities and Groups, has also been raised.

(d) Improved the range of central communication resources

In order to help Federation members build a consistent Emmaus brand and profile, a new visual identity kit, containing guidelines, logos, colours and fonts, was launched in July 2007. A new website was commissioned to provide an improved content management system, allowing Federation members to update their own sections of the site, and to improve the overall accessibility rating of the website which last year received 385,767 visits, an increase of 51% over the previous year. Filming for a new DVD about Emmaus' work was completed during the summer of 2007. This will be available for Federation members to use as part of their individual publicity resources.

(e) Updated the Charity's constitution

The Charity's constitutional documents have been reviewed and redrafted, and it is planned that these will be presented to the Federation members for their adoption at the Annual General Meeting in November 2007.

(f) In addition, the Charity has worked to raise its profile in the UK. This has been achieved both by identifying potential major donors and patrons in order to introduce them to the Charity's work and by working in partnership with other agencies assisting homeless and disadvantaged people, which has led to increasing recognition by government departments and individual members of the government. This work will continue.

### Plans for future periods

11. The Federation's Business Plan sets out the Movement's aims as being:

- (a) The development of understanding of the ethos and principles of the Movement
- (b) The establishment and maintenance of successful and sustainable Communities
- (c) The provision of support for Companion development
- (d) The development of new Groups
- (e) The development of an effective and resilient Federation in the UK
- (f) Closer integration with the Emmaus International Movement

12. While continuing with its core tasks, the Charity has set the following specific objectives to assist the Federation in achieving these aims:

(a) Establishment of a mentoring regime

In order to promote the ethos of Emmaus and to observe Emmaus International's membership criteria, it is planned to introduce a system of mentoring between established

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For the year ended 30 June 2007

Communities and new Groups. The Charity will support this work by encouraging early 'informal' partnerships between emerging Groups and Communities, as well as providing a 'toolkit' for use by mentors.

- (b) Supporting the establishment of new Groups and Communities

In addition to supporting existing Communities and Groups, the Charity aims to ensure that at least 2 new Communities are established in 2007/2008 and that at least 2 new Groups become affiliated to the Federation.

- (c) Increased support for the development and maintenance of effective businesses

By providing information and promoting best practice, the Charity will assist Communities and Groups to maximise their business potential. This process will include performance management, analysis and benchmarking. A business development officer will be recruited.

- (d) Adoption of a key-working development framework

To increase the support for Companions' development within Communities, the adoption and maintenance of a 'key working' approach amongst Community staff will be promoted via a model key-working framework.

- (e) Communication between Board and Federation members

To enhance communication between the Board and Federation members a series of trustee-led 'road shows' will take place around the country at which Board members will be able to brief members on the Federation Business Plan, and Federation members will be able to raise their issues and concerns.

- (f) Improved and coordinated approach to direct marketing

The Charity aims to increase direct marketing income by 100% by June 2011 and to implement a Federation-wide direct marketing strategy.

### Structure, Governance and Management

13. The Charity is a company limited by guarantee and a registered charity. Its governing instruments are its Memorandum and Articles of Association, rules and byelaws. It acts as a focus point for members of the Federation to enable them to work together in their pursuit of the Movement's stated aims and objectives, whilst at the same time functioning as an independent, self supporting and sustaining business.

14. The Charity's principal objects, as set out in its Memorandum of Association, are the alleviation and relief of poverty, hardship and distress arising therefrom to those in need, without distinction, by;

(a) The laying down and promotion of the principles of the Movement both in the UK and world wide and to further its growth within the terms of these objects by acting as a national federal body for all the Charity's members;

(b) providing or assisting in providing accommodation and employment for the poor and homeless at locations in the United Kingdom as may seem appropriate from time to time;

(c) providing education and training for the beneficiaries of the Charity as appropriate and relevant to their respective needs and as the Charity may from time to time decide appropriate or expedient;

(d) educating the public in the needs of poor and marginalised people through whatever means of publicity or education the Charity deems fit;

(e) developing Emmaus Communities and other Emmaus initiatives either directly or through supporting the work of members of the Charity or other organisations within the Movement.

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**For the year ended 30 June 2007**

(f) encouraging good practice on the part of Members and other organisations or agencies working or involved in Emmaus Communities and publishing codes of recommended practice, guidance manuals and other educational and training material as the Charity may determine.

(g) providing a national forum for organisations and agencies working with homeless and poor people within the Movement.

(h) supporting the work of other agencies in the relief of poverty and homelessness whether in the United Kingdom or elsewhere in the world and in particular (but without limitation) by the exchange of resources, information and expertise with other Emmaus Communities world wide;

(i) recruiting and training workers to support the furtherance of the Objects;

(j) fulfilling 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.

15. The Federation is currently composed of 12 established Communities (11 Full members and one Affiliate member), and 13 Groups (all Affiliate members). Each member is an independent charity and company limited by guarantee, and is free to determine its own course of action, subject only to its commitment to the International Movement, its ethos and principles.

16. The Charity supports the Federation, the Full members of which elect the Trustees to the Board of the Charity, and the Board may co-opt up to four additional Trustees between General Meetings. A majority of the Charity's trustees must be Trustees of Full or Affiliate members and, prior to the AGM, all members are invited to make nominations for new Trustees. When choosing Trustees for co-option the Board considers the need for any specialist skills as well as the existing balance between Full and Affiliate members. New Trustees are provided with an induction pack, the contents of which include the governing documents, the Federation and Emmaus UK business plans, recent financial information and a number of relevant policies. They are also invited to attend an orientation day where they are briefed on their obligations under company and charity law as well as the activities of the Charity. Those who haven't already done so are encouraged to visit a number of members of the Federation.

17. The Trustees are responsible for providing direction, strategy and governance. Authority for the implementation of this guidance is delegated to the Director. Two Board Committees help to increase the Board's effectiveness. The Federation Committee considers and provides direction on all matters concerning the Federation, including its relationship with the Charity and Emmaus International, whilst the Finance Committee focuses on the Charity's financial affairs. The Finance Committee has also been delegated with the authority to make grants from the Solidarity Fund. The full Board meets four times a year and each of the Committees meets four times a year on dates falling between Board meetings. The Finance Committee also meets immediately prior to the full Board if there are applications to the Solidarity Fund to consider.

### **Risk Management**

18. The Trustees have in place a formal risk management process to assess risks and implement risk management strategies. This process identifies the type of risks the Charity faces, prioritises them in terms of likelihood of occurrence and potential impact and identifies the means of mitigating those risks. A register of risks has been set up and is updated at least annually, with systems being amended as appropriate. Procedures are in place to ensure the health and safety of staff, volunteers, visitors and Companions.

### **Financial Review**

19. Income for the year was £3,109,726 consisting of £1,585,796 for the use of the Charity and £1,523,930 to be passed directly to members of the Federation. The Charity also works with members to raise funds which are paid directly to them and which are not reflected in the annual

## **EMMAUS UK**

### **TRUSTEES' REPORT**

**For the year ended 30 June 2007**

accounts attached to this report. The principal funding sources for the year were direct marketing and grants.

20. The Charity receives funding from a wide variety of sources, both statutory and non-statutory. This funding allows the provision of a range of common services to Federation members, particularly including fundraising, communications and business development. By applying economies of scale, the resources offered by the Charity provide opportunities for Federation members to make best use of their funds to support their key objectives. The Charity also raises funds for individual members which are paid directly to those members.

#### **Reserves and Funds**

21. The present level of funding is adequate to support the Charity's activities and the Trustees consider the financial position of the Charity to be satisfactory. The Trustees consider that, as a minimum, £350,000 should be held in unrestricted reserves to meet contingencies which may arise. This equates to approximately 3 months of average Charity expenditure. More information regarding the Charity's funds is provided in Note 12 to the financial statements.

22. As described above the Charity makes grants to the members of the Federation. In addition, the Charity raises funds to cover its own costs and aspires to raise additional money for the Solidarity Fund. After the provision for reserves, funds of £292,665 are available for allocation in the form of grants. The Trustees will continue to approve grants from the Solidarity Fund, subject to the availability of funds and the receipt of qualifying applications from members of the Federation.

#### **Investments policy and returns**

23. Under the Memorandum and Articles of Association, the Charity has the power to make any investment which the Trustees see fit. The Trustees have considered the most appropriate policy for investing funds and have found that savings and deposit accounts meet their requirements. The Trustees consider the return on investments achieved during the year to be satisfactory.

#### **Trustees' responsibilities**

24. 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 surplus or deficit of the Charity for that period. In preparing those financial statements the Trustees have:

- (a) selected suitable accounting policies and applied them consistently;
- (b) made judgements and estimates that are reasonable and prudent;
- (c) stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepared the financial statements on a going concern basis.

25. 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**EMMAUS UK**

**TRUSTEES' REPORT**

**For the year ended 30 June 2007**

26. In accordance with company law, as the Company's directors, we certify that:-
- (a) so far as we are aware there is no relevant audit information of which the Company's auditors are unaware; and
  - (b) as the directors of the Company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

**Auditors**

27. Argents resigned during the year and Mazars were appointed by the Trustees to fill the vacancy as auditors of the Charity. A resolution regarding the appointment of auditors will be proposed at the Annual General Meeting.

28. This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005).

29. This report was approved by the Trustees on 18 October 2007 and signed on its behalf, by:



**M N Davies**  
Chair

## **EMMAUS UK**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMMAUS UK**

We have audited the financial statements of Emmaus UK for the year ended 30 June 2007 which comprise the Statement of Financial Activities and Balance Sheet, with the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

### **RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS**

As described in the Statement of Trustees' Responsibilities the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the Charity is not disclosed.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Charity's affairs as at 30 June 2007 and of the incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.



**Mazar's LLP**  
**Times House**  
**Throwley Way**  
**Sutton**  
**Surrey**  
**SM1 4JQ**

*29 November 2007*

## EMMAUS UK

### STATEMENT OF FINANCIAL ACTIVITIES For the year ended 30 June 2007

	Note	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds:</b>					
<b>Voluntary income</b>					
Donations and similar income	2	1,153,922	1,141,387	2,295,309	1,890,826
<b>Activities for generating funds</b>					
Interest receivable		-	37,081	37,081	58,315
Sales and other income		-	27,711	27,711	18,417
<b>Incoming resources from charitable activities:</b>					
Grants	3	749,625	-	749,625	292,241
<b>TOTAL INCOMING RESOURCES</b>		<b>1,903,547</b>	<b>1,206,179</b>	<b>3,109,726</b>	<b>2,259,799</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Fundraising and publicity	6	-	509,279	509,279	396,328
<b>Charitable activities</b>	6	<b>1,935,721</b>	<b>1,062,090</b>	<b>2,997,811</b>	<b>1,661,803</b>
<b>Governance costs</b>	6	<b>-</b>	<b>35,686</b>	<b>35,686</b>	<b>29,821</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>1,935,721</b>	<b>1,607,055</b>	<b>3,542,776</b>	<b>2,087,952</b>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(32,174)</b>	<b>(400,876)</b>	<b>(433,050)</b>	<b>171,847</b>
TOTAL FUNDS AT 1 JULY 2006		209,621	1,043,541	1,253,162	1,081,315
<b>TOTAL FUNDS AT 30 JUNE 2007</b>		<b>177,447</b>	<b>642,665</b>	<b>820,112</b>	<b>1,253,162</b>

The Statement of Financial Activities includes all gains and losses recognised in the year

The notes on pages 12 to 22 form part of these financial statements.

## EMMAUS UK

### BALANCE SHEET As at 30 June 2007

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	7		<b>10,266</b>		11,189
<b>CURRENT ASSETS</b>					
Stocks		<b>2,916</b>		4,616	
Debtors	8	<b>53,739</b>		192,433	
Short term deposits		<b>1,261,334</b>		1,351,223	
Cash in hand		<b>53,981</b>		96,062	
			<b>1,371,970</b>	1,644,334	
<b>CREDITORS:</b> amounts falling due within one year	9	<b>(562,124)</b>		(402,361)	
<b>NET CURRENT ASSETS</b>			<b>809,846</b>		1,241,973
<b>NET ASSETS</b>	13		<b>820,112</b>		1,253,162
<b>CHARITY FUNDS</b>					
Restricted Funds			<b>177,447</b>		209,621
Unrestricted Designated Funds			<b>292,665</b>		693,541
Unrestricted General Funds			<b>350,000</b>		350,000
			<b>820,112</b>		1,253,162

The financial statements were approved by the trustees on 18 October 2007 and signed on their behalf, by:

  
**M N Davies**  
Chair

The notes on pages 12 to 22 form part of these financial statements.

# EMMAUS UK

## Notes to the financial statements For the year ended 30 June 2007

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities issued in March 2005.

#### 1.2 Company status

The Charity is a company limited by guarantee. The members of the company are the subscribers to the Memorandum of Association and those Communities and Groups who are members of the Federation. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

#### 1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds which the Trustees have set aside for solidarity payments to be made in the future to Emmaus Groups and Communities. The Trustees have the power to reallocate such funds within unrestricted funds unless and until expended.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### 1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, these are included when receivable. Where received in instalments, only amounts known with certainty are included in incoming resources. Where grants are received for future accounting periods these are deferred until that accounting period.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### 1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Resources expended on charitable activities comprise the costs incurred by the Charity in working to meet its charitable objectives. Governance costs are those costs incurred in providing the governance infrastructure which allows the Charity to operate and comply with constitutional and statutory requirements. These costs include both costs which can be allocated directly to the activities and those support costs apportioned to them. Support costs have been apportioned on the basis of the proportion of staff time spent on each activity.

# EMMAUS UK

## Notes to the financial statements For the year ended 30 June 2007

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, and the conditions remain within the control of the Charity, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

### 1.6 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small charitable company.

### 1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	4 years	straight line
Office furniture and equipment	-	4 years	straight line
Computers	-	3 years	straight line

### 1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

### 1.9 Pensions

The company operates a money purchase pension scheme under which the amount charged to the profit and loss account is the contributions payable in the year. Differences between contributions payable in the year and the contributions paid are shown as either creditors, accruals or prepayments in the balance sheet.

### 1.10 Stocks

Stock is included at the lower of cost and net realisable value.

## 2. DONATIONS AND SIMILAR INCOME RESOURCES

	<b>Restricted Funds 2007 £</b>	<b>Unrestricted Funds 2007 £</b>	<b>Total Funds 2007 £</b>	<b>Total Funds 2006 £</b>
Donations, gifts and legacies	<b>413,785</b>	<b>896,268</b>	<b>1,310,053</b>	1,125,934
Trusts	<b>740,137</b>	<b>245,119</b>	<b>985,256</b>	764,892
	<b>1,153,922</b>	<b>1,141,387</b>	<b>2,295,309</b>	1,890,826

# EMMAUS UK

## Notes to the financial statements For the year ended 30 June 2007

### 3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

These consist of grants given specifically for the provision of services as part of our charitable activities where monitoring of the service provision occurs.

	2007 £	2006 £
Regional Development For Federation Members	10,625	91,241
Community Leader training	665,000	91,618
HR and Training Officers	7,000	55,000
	<b>67,000</b>	54,382
	<hr/> <b>749,625</b> <hr/>	<hr/> 292,241 <hr/>

### 4. NET MOVEMENTS IN FUNDS

This is stated after charging:

	2007 £	2006 £
Depreciation of tangible fixed assets: - owned by the Charity	6,622	9,429
Auditors' remuneration - audit services	4,032	4,017
non audit services	-	-
	<hr/> <b>-</b> <hr/>	<hr/> <b>-</b> <hr/>

During the year, no Trustees received any remuneration (2006 - £Nil).

During the year, no Trustees received any benefits in kind (2006 - £Nil).

Nine Trustees received reimbursement of expenses amounting to £4,717 in the current year (2006 - £5,125).

### 5. STAFF COSTS AND NUMBERS

	2007 £	2006 £
Wages and salaries	707,862	641,924
Social security costs	72,272	61,320
Pension costs	33,453	30,291
	<hr/> <b>813,587</b> <hr/>	<hr/> 733,535 <hr/>

# EMMAUS UK

## Notes to the financial statements For the year ended 30 June 2007

The average monthly number of employees during the year was as follows:

	2007 No.	2006 No.
Charitable operations	11	11
Fundraising and publicity	12	10
Management and central services	3	2
	<u>26</u>	<u>23</u>

No employee received remuneration greater than £60,000 in the year (2006 - zero).

### 6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Direct Staff Costs 2007 £	Direct other costs 2007 £	Support costs 2007 £	Total 2007 £	Total 2006 £
<b>Costs of generating funds:</b>					
Fundraising and publicity	197,626	265,313	46,340	509,279	396,328
<b>Charitable activities:</b>					
Community grants - (see note 14)	9,900	595,537	1,716	607,153	298,664
Support and development of Federation members	367,578	1,685,944	96,113	2,149,635	1,132,140
Regional Development Programme	161,963	56,748	22,312	241,023	230,999
<b>Governance costs</b>	<b>16,294</b>	<b>14,243</b>	<b>5,149</b>	<b>35,686</b>	29,821
<b>Total resources expended</b>	<b>753,361</b>	<b>2,617,785</b>	<b>171,630</b>	<b>3,542,776</b>	2,087,952

#### Support costs consist of the following:

	Total 2007 £	Total 2006 £
Staff costs	76,773	74,512
Premises and office administration	70,453	53,627
Financial processing and insurance	13,104	13,643
Other	4,678	4,210
Depreciation	6,622	9,429
	<u>171,630</u>	<u>155,421</u>

Staff costs include salary, employer payroll taxes and pension contributions, staff development and travel and subsistence costs.

## EMMAUS UK

### Notes to the financial statements For the year ended 30 June 2007

Support costs have been apportioned on the proportion of total staff time spent on each of the activities.

#### 7. TANGIBLE FIXED ASSETS

	<b>Leasehold improvements</b>	<b>Office furniture and equipment</b>	<b>Computers</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 1 July 2006	12,670	18,839	41,252	72,761
Additions	-	-	5,700	5,700
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2007	12,670	18,839	46,952	78,461
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 July 2006	12,670	13,644	35,258	61,572
Charge for the year	-	2,109	4,514	6,623
On disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2007	12,670	15,753	39,772	68,195
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 30 June 2007	-	3,086	7,180	10,266
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2006	-	5,195	5,994	11,189
	<hr/>	<hr/>	<hr/>	<hr/>

## EMMAUS UK

### Notes to the financial statements For the year ended 30 June 2007

#### 8. DEBTORS

##### Amounts falling due within one year

	2007	2006
	£	£
Trade debtors	7,657	3,750
Solidarity loan	-	100,000
Other debtors	3,150	8,136
Prepayments and accrued income	18,168	62,639
Gift Aid Tax recoverable	24,764	17,908
	<u>53,739</u>	<u>192,433</u>

The outstanding Solidarity Loan of £100,000 to Emmaus Glasgow was converted to a Solidarity Grant during the year.

#### 9. CREDITORS

##### Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	64,169	45,620
Social security and other taxes	21,342	20,331
Accruals and deferred income	476,613	336,410
	<u>562,124</u>	<u>402,361</u>

Accruals and deferred income include £364,746 of grants from the Solidarity Fund to be paid to Emmaus Communities and Groups in the next financial year. (2006 - £245,000)

#### 10. OPERATING LEASE COMMITMENTS

At 30 June 2007 the company had annual commitments under non-cancellable operating leases as follows:

	Office equipment	
	2007	2006
	£	£
<b>Expiry date:</b>		
Between 2 and 5 years	<u>12,713</u>	<u>960</u>

The lease on the Charity's offices has been renewed until 24 May 2012, with a break clause which may be exercised by either party on or after 1 December 2008.

# EMMAUS UK

Notes to the financial statements  
For the year ended 30 June 2007

## 11. RESTRICTED FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
<b>Project Funds</b>				
<b>Communities</b>				
Brighton & Hove	-	50	(37)	13
Bristol	185	2,586	(2,719)	52
Cambridge	1,026	12,937	(13,822)	141
Coventry	(56)	45,519	(45,515)	(52)
Glasgow	65	3,233	(3,218)	80
Gloucestershire	200	339	(200)	339
Greenwich	18,880	160,054	(176,419)	2,515
Leeds	318	959	(1,204)	73
Mossley	12,500	100,386	(112,665)	221
St Albans	647	771	(1,398)	20
Village Carlton	23	60,226	(60,271)	(22)
<b>Affiliated Groups</b>				
Burnley	-	1,000	-	1,000
Colchester	-	59,729	(59,633)	96
Exeter	6,013	2,303	(5,602)	2,714
Hampshire	400	8,480	(4,659)	4,221
Hull	191	1,622	-	1,813
Medway	7,486	12,133	(1,232)	18,387
Merseyside	46,471	1,388	(1,201)	46,658
Oxford	4,500	507	(2,493)	2,514
Preston (formerly Lancashire)	95	316,308	(315,588)	815
Rugby	-	601	(556)	45
Salford	-	30	-	30
Sheffield	5	439,599	(426,277)	13,327
South Lambeth	21,018	291,534	(298,775)	13,777
<b>Regional Partnerships</b>				
South East Partnership	1,400	-	-	1,400
<b>Other</b>				
America	1,721	-	-	1,721
Birmingham	34,090	1,027	(35,117)	-
Derby	20	-	-	20
Norwich	670	-	-	670
Peterborough	-	176	-	176
Plymouth Association	1,282	38	(1,320)	-
Scarborough	11,227	95	(11,322)	-
Surrey	5,536	168	-	5,704
Wales	2,331	10	-	2,341
York	1,088	122	(1,210)	-
	<b>179,332</b>	<b>1,523,930</b>	<b>(1,582,453)</b>	<b>120,809</b>

# EMMAUS UK

Notes to the financial statements  
For the year ended 30 June 2007

## 11. RESTRICTED FUNDS CONTINUED

Other restricted funds	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
2. Department for Communities and Local Government (formerly Office of the Deputy Prime Minister)	-	67,000	(67,000)	-
3. Big Lottery Fund	-	80,086	(41,412)	38,674
4. Esmee Fairbairn Foundation	9,175	25,783	(34,958)	-
4. The Rank Foundation	11,119	-	(11,119)	-
5. Grand Charity	-	20,000	(20,000)	-
6. Westbury Homes	-	46,521	(46,521)	-
7. Roughley Charitable Trust	-	15,000	(15,000)	-
8. Lloyds TSB Foundation	-	8,333	(8,333)	-
9. Bryant Trust	3,048	-	(3,048)	-
10. Robertson Trust	6,392	-	(6,392)	-
10. Gannochy Trust	555	4,722	(5,277)	-
10. Lloyds TSB Foundation for Scotland	-	10,000	(10,000)	-
11. Laings Charitable Trust	-	30,000	(30,000)	-
11. Stoller Charitable Trust	-	10,000	(10,000)	-
12. The John Ellerman Foundation	-	18,750	(18,750)	-
13. Ahajma Trust	-	13,333	(13,333)	-
14. East of England Development Agency	-	10,625	(10,625)	-
15. The Persula Foundation	-	2,000	-	2,000
15. Help the Homeless	-	5,000	-	5,000
16. Abbé Pierre Memorial Fund	-	10,964	-	10,964
17. Membership subscriptions	-	1,500	(1,500)	-
	<u>30,289</u>	<u>379,617</u>	<u>(353,268)</u>	<u>56,638</u>
<b>Total Restricted Funds</b>	<u>209,621</u>	<u>1,903,547</u>	<u>(1,935,721)</u>	<u>177,447</u>

## Notes to the financial statements For the year ended 30 June 2007

### 11. RESTRICTED FUNDS CONTINUED

1. Projects Funds are amounts received by the Charity for use in specific Emmaus projects.
2. The Department for Communities and Local Government is part funding the costs of the Human Resources and Training Officers and their projects. These roles have enabled us to strengthen the central support given to individual Emmaus projects.
3. The Big Lottery Fund is part funding the work of 4 Regional Development Officers working in England and Wales for a three year period. This will assist in the development of new groups looking to establish Emmaus Communities and the establishment of a regional structure that will enable the more effective development of the new Communities.
4. The Esmee Fairbairn Foundation and The Rank Foundation are funding the Community Leader Recruitment and Training Programme.
5. The Grand Charity is part funding the salary of the Development Officer - Statutory Issues and the Project Worker for Emmaus Sheffield. The portion of the grant relating to Emmaus Sheffield is included in Emmaus Sheffield's income and expenditure.
6. Westbury Homes funded the salary of the Projects Fundraiser enabling us to provide greater fundraising support to Emmaus projects. They also gave a number of smaller grants to individual Emmaus projects and each grant is included in the income and expenditure of the relevant project.
7. The Roughley Charitable Trust part funded the salary of the Development Officer for the Midlands and Yorkshire region.
8. Lloyds TSB Foundation is making a contribution towards the costs of the Regional Development Officers working in England and Wales.
9. The Bryant Trust is part funding the salary of the Development Officer – Statutory Issues.
10. The Robertson Trust, the Gannochy Trust and the Lloyds TSB Foundation for Scotland are all part funding the costs of a Regional Development Officer for Scotland to extend the coverage of the regional development programme.
11. The Laing and Stoller Charitable Trusts provided funding for website design, production of a promotional DVD and visual identity pack.
12. The John Ellerman Foundation contributed towards the costs of the Regional Development Officers.
13. The Ahajma Trust provided funding towards the Communication Team salaries.
14. The East of England Development Agency provided funding for a research project entitled 'Growth and Sustainability'.
15. The Persula Foundation and Help the Homeless contributed to a fund for Companion training. This will allow small individual grants to be made to Companions to undertake relevant training where their Communities are unable to provide funding.
16. Following the death in January 2007 of Abbé Pierre, founder of the Emmaus Movement, donations were made to the Abbé Pierre Memorial Fund. The interest from this fund will provide grants to Companions to promote Solidarity.
17. Membership subscriptions are contributions from members of the Federation and designated by the Trustees to the Solidarity Fund.

The Designated Fund is the amount which the Trustees have set aside for distribution to Emmaus Communities and Groups as Solidarity Grants. The timescale over which these funds are spent will depend on the number of suitable applications made to the fund, however grants will continue to be made during the year ended 30 June 2008 when the application criteria are met and funding is available.

# EMMAUS UK

## Notes to the financial statements For the year ended 30 June 2007

### 12. SUMMARY OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
Unrestricted Designated Funds	693,541	1,206,179	(1,607,055)	292,665
Unrestricted General Funds	350,000	-	-	350,000
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	1,043,541	1,206,179	(1,607,055)	642,665
	<hr/>	<hr/>	<hr/>	<hr/>
Restricted Funds	209,621	1,903,547	(1,935,721)	177,447
	<hr/>	<hr/>	<hr/>	<hr/>
Total of Funds	1,253,162	3,109,726	(3,542,776)	820,112
	<hr/>	<hr/>	<hr/>	<hr/>

### 13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Tangible fixed assets	3,603	6,663	10,266	11,189
Current assets	173,844	1,198,126	1,371,970	1,644,334
Creditors due within one year	-	(562,124)	(562,124)	(402,361)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	177,447	642,665	820,112	1,253,162
	<hr/>	<hr/>	<hr/>	<hr/>

## EMMAUS UK

### Notes to the financial statements For the year ended 30 June 2007

#### 14. SOLIDARITY GRANTS MADE IN THE YEAR

	2007 £
Emmaus Glasgow	105,000
- £100k towards the final costs associated with the refurbishment of the property	
- £5K towards the cost of using the Relief Community Leader	
Emmaus Preston	180,000
- To provide a deposit for the purchase of property to be used for Companions' accommodation.	
Emmaus Coventry	10,000
-To enable recruitment of a second deputy Community Leader	
Emmaus Colchester	250,000
- Towards the cost of building the residential accommodation for a new Community	
Emmaus Gloucestershire	3,525
-To carry out a feasibility study on the acquisition of a second site	
Emmaus Burnley	1,762
-To fund the costs of a structural survey and planning application fees in relation to a proposed property purchase	
Emmaus Rugby	44,800
-To register as a charity and recruit a Project Manager	
Emmaus Bristol	450
- To enable a Companion to travel to the Emmaus water project in Benin	
	<hr/>
Total	595,537
	<hr/>
<b>Solidarity grants made in the previous year</b>	<b>2006 £</b>
Emmaus St Albans	41,286
Emmaus Glasgow	70,000
Emmaus Sheffield	100,000
Emmaus Gloucestershire	4,721
Emmaus Preston	70,000
	<hr/>
	286,007
	<hr/>