

Company number: 03422341  
Charity Number: 1064470

# Emmaus UK

Report and financial statements  
For the year ended 30 June 2019

Contents

For the year ended 30 June 2019

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## Emmaus UK

### Reference and administrative information

For the year ended 30 June 2019

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Company number 03422341  
Country of incorporation United Kingdom

Charity number 1064470  
Country of registration England & Wales

Registered office and operational address Emmaus UK  
Unit 302 Scott House  
The Custard Factory  
Gibb Street  
BIRMINGHAM  
B9 4AA

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Frank McMahon	Chair of Trustees
John Clark	
Sue Brooksbank-Taylor	
David Cooper	
Tony Ferrier	
Keith Jeffrey	
Geraldine Tsakirakis	
John Whittaker	
Kelly Finnis	(Formerly Thompson)
Pauline Curl	
Ruby Dickens	(Resigned 31 July 2018)
Monica Wallace	(Resigned 9 October 2018)
Katrina Mattock	(Appointed 17 March 2019)
Jayne Flint	(Appointed 20 December 2018)
Amanda Stekly	(Appointed 19 June 2019)

<b>Key management personnel</b>	Simon Grainge	Chief Executive
	Clare Hunter	Head of Fundraising and Communionisation
	Duncan Gall	Head of Federation Support
	Linda Drury	Head of Business Development
	Sanja Kalik	Head of Finance, Company Secretary

Reference and administrative information

For the year ended 30 June 2019

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<b>Bankers</b>	CAF Bank Limited Kings Hill West Malling Kent ME19 4TA	United Trust Bank One Ropemaker Street London EC2Y 9AW
	National Westminster Bank Plc Cambridge Market St Branch 23 Market Street Cambridge CB2 3PA	Hampshire Trust Bank 55 Bishopsgate London EC2N 3AS
	Cambridge & Counties Charnwood Court 5B New Walk Leicester LE1 6TE	Aldermore 1st Floor, Block B, Western House Lynch Wood Peterborough PE2 6FZ

<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL
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## Chair's introduction

### Chair's Introduction 2018–2019 accounts

This year has been one of careful re-evaluation; the benefit of having a number of fundraising successes and without the fear of housing benefit reform looming overhead, has allowed us the freedom to take stock and examine all our processes in detail, to ensure we are providing the best possible support to the Emmaus Federation.

The former Capacity Building Team has been restructured into the new Federation Support and Business Development teams. The Federation Support Team ensures that companion welfare is top priority at communities. The Companion Core Offer is now well and truly bedded in, which ensures the quality and consistency of support available right from the moment a companion enters an Emmaus community until they are ready to make a positive move on.

The Business Development Team provides expert advice and support to communities and groups social enterprises. Both maximising existing retail capacity and supporting communities to develop new social enterprises. Additional intensive support is available when required, including business planning, expert advice and information and support to access the Emmaus Funds. This helps to increase stability for those communities who may be struggling, or to support growth in number of companions, for those communities who are thriving.

The Emmaus Fund process has been reviewed both in terms of criteria for applications, and to ensure maximum distribution of funds to where they are needed most. This review is reflected in the new names for the funds which will help to provide clarity for their purpose.

The new funds are now called:

- Companion Room Expansion Grant Fund (Previously 25<sup>th</sup> anniversary fund)
- Capacity Development Grant Fund (Previously the Legacy fund)
- Community and Enterprise Investment Loan Fund (Previously the Emmaus fund)
- The Companion Training Fund is keeping its original name as it is already a clear description of its purpose.

We have reviewed and overhauled many of the human resources and financial processes to ensure best practice. Training and development has become a top priority. Training opportunities have been provided to all staff, and a learning and development officer has been employed to ensure training opportunities are available to all communities.

The Referral Gateway has been launched, this has enabled referrals to be received by phone or online centrally at a national level, rather than an individual having to apply separately for each community. The onus is on Emmaus to do the administrative work to find an appropriate space rather than the individual or referral agency. In this financial year over 760 referrals were received through the gateway.

The IT project has seen a significant investment in the IT infrastructure for 16 communities across the federation, who have received a combined £165,000 worth of equipment and support to help ensure they are functioning more efficiently and effectively and conforming to digital GDPR requirements.

Our Fundraising Team has once again delivered income in excess of target, which has been in part thanks to several large legacies. Emmaus UK has been well prepared to deal with the introduction of GDPR regulation and continue our annual registration with the Fundraising Regulator.

As ever, our work is also helped greatly by the support of our president and royal patron, who give up so much of their time to support us. Our Chief Executive met with HRH The Duchess of Cornwall at The Eden Project to discuss the plans to open an Emmaus community on the Eden site. Emmaus UK President Terry Waite CBE was able to attend anniversary celebrations at Emmaus Coventry and Warwickshire who marked their 25<sup>th</sup> year, Emmaus Leeds who celebrated their 15<sup>th</sup> year and Emmaus Colchester who celebrated their 10<sup>th</sup> year anniversaries and attended the launch of Emmaus Cornwall's joint project with the Eden project.

In March, at Emmaus's annual assembly, the theme of which was *My Emmaus*, we started the process of consultation with members to inform the development of our new strategic plan 2020–2025. This was the first of many consultations in the development of the plan, which will set the strategic direction of the movement for the next five years. As homelessness is still at a very high level, having increased 165% since 2010, we need to ensure we are doing everything we can to ensure those that have experienced homelessness have a positive path towards a brighter future.

Once again there are challenging times ahead, with the potential disruption of Brexit to consider. We anticipate that whilst this may be a very difficult time for individuals at Emmaus, the impact on the organisation as a whole will be minimal. We will continue to optimise the support offered to communities and groups, to ensure that they are best placed to support those who have experienced homelessness.

Thank you for your continued support

Best wishes

Frank McMahon  
Chair of Trustees, Emmaus UK

The trustees who are also directors of Emmaus UK (The Charity) for the purposes of the Companies Act, submit their annual report and financial statements of the Charity for the year ended 30 June 2019. 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, the Companies Act 2006 and the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities 2015.

## Objectives and activities

### Purposes and aims

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

### About Emmaus

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 can be soul destroying, leaving you feeling worthless.

Emmaus is different because it provides a home for as long as someone needs it, in an Emmaus community. This gives companions, as we call our residents, the opportunity to take stock of their lives, deal with any issues they might have, and often re-establish relationships with loved ones.

### About Emmaus UK – Aims and activities

Emmaus UK is the federal body and national organisation for Emmaus in the UK. Each member of Emmaus UK – either a community or group – is an independent charity, governed by a local board of trustees.

Ultimately each Emmaus community aims to become self-funding through its social enterprise. Emmaus UK supports its member organisations as they work towards this goal, sharing best practice, coordinating federation-wide meetings and providing direct capacity building and support in areas such as governance, business development and companion support. The charity

also offers fundraising and publicity support and provides grants and loans to enable further development of existing Emmaus communities and groups, and the expansion of Emmaus in the UK.

Emmaus UK operates three grants funds and a loan fund for communities and groups:

- Companion Room Expansion Grant Fund (Previously 25<sup>th</sup> anniversary fund) this is used to increase the number of rooms available across Emmaus Communities
- Capacity Development Grant Fund (Previously the Legacy fund) used to build the capacity of communities and groups
- Community and Enterprise Investment Loan Fund (Previously the Emmaus fund) distributes external loans to aid communities build their businesses
- The Companion Training Fund provides grants to companions to take part in training opportunities, personal development opportunities or for the equipment needed to take part in these opportunities.

Emmaus UK is also responsible for co-ordinating and measuring development towards achieving the goals set out in the federation's strategic plan and is formally recognised as the national organisation representing Emmaus International in the UK.

## Strategic Plan

The Emmaus Strategic Plan 2015–2020 has been developed to align with the federation's vision, mission and values:

Our vision is for:

A world in which everyone has a home and a sense of belonging.

Our mission is:

To work together to overcome homelessness and social exclusion while using our voice to achieve social change.

Our values

- Value and respect every person, opposing injustice.
- Be transparent and honest in all our dealings.
- Demonstrate solidarity and support to those in need.
- Create an environment of empowerment.
- Share and exchange resources, skills and learning.
- Support and foster inter-dependence and cherish independence.
- Work to live and give.



## Our goals

The strategic plan (2015 – 2020) outlines seven strategic goals, across three priority areas, to be achieved over the life of the plan:

### Strength and quality

- Emmaus operates a range of social enterprises in order to achieve financial sustainability.
- Emmaus is working with companions to realise their aspirations and potential.
- Federation members are demonstrating organisational sustainability and ethical practice.
- The Emmaus federation is demonstrating unity and is working together for mutual benefit.

### Profile and influence

- Emmaus is well known and respected and is using its voice to address the causes and consequences of homelessness and social exclusion.
- Emmaus in the UK is an active contributor and influencer in the international Emmaus movement.

### Growth

- Emmaus is increasing the number of companion rooms and is providing non-residential opportunities.

The plan sets out that by 2020 Emmaus in the UK will have:

- 1,000 companion places
- 100 opportunities for non-residential companions
- Stronger social enterprises
- Structured support and training plans for all companions
- Companions on all of our boards and committees
- More companions moving into employment
- Started campaigning for change
- Better recognition for the fantastic work we do

## Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on providing support and advice to members of the federation and are undertaken to further Emmaus UK's charitable purposes for the public benefit.

Emmaus UK provides expert support to Emmaus communities and groups who work with formerly homeless and socially isolated individuals, known as companions. Companions are provided with a home for as long as it is needed, meaningful work within social enterprises, support and training opportunities to help them work towards a brighter future. The social enterprises in turn help support members of the wider community, by offering low cost furniture and goods and in some

## Trustees' annual report

### For the year ended 30 June 2019

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areas, food to those on low incomes. Acts of solidarity from companions also help the wider community, through fundraising and volunteering for local, national and international charities.

In addition to this Emmaus UK runs a national referral gateway, which enables easier access for potential companions to communities.

In order to deliver the federation's five year strategic plan (2015–2020), Emmaus UK has been working with its members to provide support and co-ordinate a range of federation-wide activities, such as developing a companion core offer, training plan, staff training and development, improving governance, business support and development.

The following sets out the achievements of Emmaus UK, the charity, and how they have supported members of the Emmaus federation in the UK.

**Strength and quality** – strengthen and improve the support we offer to companions and overall organisational resilience.

- A large legacy of £742,500 was received from a single donor which was allocated to the companion room expansion fund.
- £610,786 of grants from this fund have enabled communities to develop a further 41 rooms, the current number available to companions is 812.
- More than 100 non-residential companions have been supported in the year
- 211 companions have received individual support for training and development from the Companion Training Fund, totalling £60,359.
- A further 252 companions have taken part in group training, funded by the Companion Training Fund, totalling £10,815.
- Nine communities have benefited from retail reviews.
- Four retail training sessions have been delivered.
- One community has benefited from an enterprise review.
- Two gift training sessions have been delivered.
- Five communities have been supported to develop their business plans.
- Five communities' strategic away days have been facilitated.
- Two business peer groups have been facilitated and supported.
- Two communities are receiving intensive all round support.
- The Companion Core Offer is designed to help communities to provide structured and consistent support to companions. Uptake is going well, with 80% of communities having signed up or are planning to implement it before the end of the year.

**Profile & influencing** – increase our profile in order to generate funds and support that enables us to achieve our strategic objectives.

- The regional communications service supported 19 communities with dedicated Regional Comms Officers as well as providing communications and PR toolkits for those communities who do not subscribe to the service.

## Emmaus UK

### Trustees' annual report

#### For the year ended 30 June 2019

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- A number of national press articles and trade articles have included mentions of Emmaus
- A Digital communications officer was recruited in February and this has already increased the number of followers and engagement across all social media channels including an increase in followers of 26% on Instagram.

**Growth** – Emmaus is increasing the number of companion rooms and is providing non-residential opportunities.

- Grants totalling £610,786 were made from the Companion Room Development Grant fund (previously called 25th Anniversary Fund).
- An additional 41 rooms have been added or are in development.

#### Emmaus in the UK (consolidated federation information – Emmaus communities in the UK)

Emmaus UK only exists to support communities and groups across the UK, helping them to strengthen their social enterprises and ensure they are in the best possible position to support companions when they need it most. We also keep track of communities' achievements all over the UK. Here are just a few highlights:

- Emmaus currently offers 812 companion places, across 29 communities.
- An additional 100 non-residential companions are also supported at communities.
- 92 companions have moved into employment.
- Emmaus communities have seen a 5% increase in trading income.
- 12,924 tonnes of goods were reused or recycled thanks to Emmaus communities
- £135,872 was donated in cash and £197,223 in goods to solidarity causes – helping those in greater need.
- 6,462 volunteer hours across communities have been spent on Emmaus International projects to promote social justice.

#### Fundraising income

Overall fundraising income has increased, with a significant increase in legacy funding compared with previous years. Direct marketing continues to provide the largest source of income to Emmaus UK, thanks to the generosity of individual donors. Overall fundraising income generated £2,603,059 in 2018–19.

#### Charitable activities

Full details concerning the cost of charitable activities are shown in Note 5 to the accounts. The total cost of charitable activities has increased from £1,277,679 in 2017/18 to £2,075,785 in 2018/19 due to increase support and services to communities

Total charity costs increased from £1,792,381 in 2017/18 to £ 2,675,081 in 2018/19. This is primarily due to an increase in project activities related to federation support.

## The coming year

The demand for Emmaus services is increasing, with more and more people facing vulnerable housing situations, putting a strain on the sector as we all struggle to meet an increasingly diverse range of needs.

The next strategic plan 2020–2025 is currently in development. There has been extensive consultation with federation members, core values have been realigned with the international movement of Emmaus and outline aims for the coming period have been defined. The new plan is due to be launched at the next assembly in March 2020.

In the year ahead we will be delivering a new website for Emmaus UK and each Emmaus community and group within the federation. We aim to create a more accessible and effective website for all our online audiences; including potential service users, donors, external agencies and the general public. This will showcase the fantastic work done by Emmaus in the UK.

Funding has been allocated towards building alternative social enterprises project (BASE). The aim of this project is to work with communities to test and develop ideas for new social enterprises, to help diversify and future proof income sources.

## Financial review

The total income for the year was £2,999,200 (2018: £2,095,671), restricted income was £303,386 (2018: £335,281) of this £126,019 (2018: £171,400) was donations and grants fundraised for communities and groups and passed directly to them. The principal funding sources for the year were donations from direct marketing and grants from trusts and foundations.

Expenditure was £2,675,081 (2018: £1,792,381). This was higher than in the previous year due to increase in Capacity Development Fund (previously 25<sup>th</sup> anniversary fund) and Companion Room Expansion Fund grants (previously legacy fund) allocated to Emmaus communities.

The community and enterprise investment loan fund (see Note 13) received loan repayments from members of £68,445 (2018: £30,250). Grants totalling £136,351 (2018: £65,435) were paid out of the Capacity Development Grant Fund (previously Legacy Fund) with an additional £610,786 (2018: £15,000) paid from the Companion Room Expansion Grant (previously 25<sup>th</sup> Anniversary Fund) in order to fund an increase in the number of companion rooms in the UK (see note 6).

Emmaus UK also works directly with members of the federation to raise funds, which are paid directly and are therefore not reflected in these financial statements. The costs of this activity are included in the fundraising and publicity resources as detailed in note 5. Emmaus UK offers a range of other services to support the members of the federation, these include marketing, HR advice and support, communications and PR, events management, and business development.

## Principal risks and uncertainties

### Risk Management

Risk management is taken very seriously by the Trustees at Emmaus, the risk management register is a standing item on both the Resources and Operations committee agendas. The trustees have a formal risk management policy in place and strategic and operational risk registers to assess risks and implement risk mitigation strategies. These identify the type of risks faced by the Charity, prioritises them in terms of likelihood of occurrence and potential impact, and identifies the means of mitigating those risks. These risks are regularly considered by the Board and its committees and mitigating actions are in place. The registers are regularly updated, with systems being amended as appropriate. A disaster Recovery Policy is also in place.

The highest 6 risks currently identified in the Charity's strategic risk register, are listed below with the control measures:

Risk	Control Measures
Failure of communities & groups to repay loans from Community and Enterprise Investment Loan Fund (EUK balance sheet) and/or meet interest payments.	Robust due diligence checks before approval is granted by the investment committee. Security/charge taken on loan where appropriate. Quarterly monitoring of recipient's financial performance, cash position and risk attached to repayments. Liaison with Head of Federation Support to act on any issues surrounding repayments. Review of Community and Enterprise Investment Loan Fund carried out Legacy fund created to build capacity. Monitoring of external environment & assessing impact.
Failure of communities and groups to repay loans from 3 <sup>rd</sup> parties via Emmaus UK (and/or meet interest payments).	Robust due diligence checks before approval is granted by the investment committee. Framework agreements with 3 <sup>rd</sup> party loan providers ensure that Emmaus UK is not liable for capital repayments to 3 <sup>rd</sup> parties. Quarterly monitoring of recipient's financial performance, cash position and risk attached to repayments. Liaison with Head of Federation Support to act on any issues surrounding repayments. Legacy fund to build capacity. Implementation of Business Development Team

Trustees' annual report

For the year ended 30 June 2019

Risk	Control Measures
<p>Failure to effectively monitor and respond to changes in the external environment.</p>	<p>Regular monitoring of external environment including legislation and policy. Links to appropriate networks. Brexit negotiations monitored and advice circulated to members</p>
<p>A significant event at federation community or group has an adverse effect on the public perception of the federation.</p>	<p>Communications strategy. Supportive interventions process. Monitoring and liaison between lead staff and chairs. Regular reports to Operations Committee on members presenting risks. Legacy fund for capacity building. MIR data collection and analysis. Effective community risk management. Strategic plan review identified need for federation wide protocol on dealing with events such as these</p>
<p>Failure of communities to make contributions to the Community and Enterprise Investment Loan Fund repaying historical solidarity grants from Emmaus UK (P&amp;L income to replenish the Community and Enterprise Investment Loan Fund).</p>	<p>Promoting the principle of solidarity and repaying grants when in a position to do so. Demonstrating best practice &amp; robust decision-making processes in re-cycling funds out to communities in need (and future social enterprises). Resolution to repay minimum annual amount passed at 2017 AGM. Reminder letters sent June 2019. New resolution to go to 2020 AGM.</p>
<p>Reputational risk to Emmaus UK caused by failure of any of its members.</p>	<p>Head of Communications &amp; Fundraising regularly updated on significant events. Head of Federation Support regularly monitors federation issues. Regular communications with members. Reviews conducted following incidents to understand and share lessons learned.</p>
<p>Inability to recruit and retain trustees of the board and its committees with the range of skills necessary to oversee the delivery of the strategic plan.</p>	<p>Recruitment and induction process. Targeted advertising. Annual skills audit undertaken. Annual appraisal of trustees. Appropriate leadership at board and committee level. A suite of trustee related policies, including recruitment, induction, and training. Exit interviews carried out</p>

## Reserves policy and going concern

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. There are no concerns about the charity's ability to continue and there is no deficit.

The trustees consider that three months operating costs should be held in unrestricted reserves (Based on future budget spend this equates to approximately £441,206). Unrestricted general funds at 30 June 2019 were £517,851 (2018: £423,405). The remaining balance will be allocated in line with new Strategic Business plan 2020–2025. More information on the funds is provided in Note 18.

The Charity raises funds to cover its own costs and those of the Community and Enterprise Investment Loan Fund (formerly Emmaus Fund) as well as funds in direct support of members of the federation. On 30 June 2019 the Community and Enterprise Investment Loan Fund stood at £1,446,906 (2018: £1,400,967) of which £726,248 (2018: £889,693) is on loan to communities. The remainder is available for allocation in the form of financial support to members, subject to receipt of qualifying applications. Capacity Development Grant, created specifically to increase capacity in communities and groups, ended the year at £425,237 (2018: £472,123) after a further designation of £89,465 (2018: £70,824) at the year end. This is available for grants and loans to communities and groups in the coming year.

## Investments policy and returns

Under the 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 in the current economic climate and the investments secure.

Community and Enterprise Investment loan fund is established support Emmaus communities to grow, implement change or survive. Recent guidance by the Investment Committee has made clear that communities with a clear focus on reaching financial sustainability will be prioritised.

Emmaus UK operates three grants funds: Companion room expansion grants, formerly known as 25th Anniversary Grants, used to increase number of bed spaces across Emmaus communities. Capacity Development Grant, former Legacy fund, used to expand business opportunities in order to provide financial sustainability. Grants may be funded over varying periods of time, therefore cost and progress is monitored on continuous bases by the Investment Committee. The companion training fund is direct support for companions request for learning and necessary tools to move on by providing financial support to access a range of training and development opportunities.

The Investment Committee is responsible for the governance of the major loan and grant-making funds held by Emmaus UK ('EUK Funds'), ensuring that decision-making around the distribution of funds and subsequent monitoring is appropriately independent, consistent and transparent. This committee is also responsible for the governance of loans made by Emmaus UK's social investment partners, providing independent due diligence and appropriate monitoring on their behalf.

## Public Benefit

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. All trustees give their time voluntarily and receive no financial benefit from the Charity. Any expenses reclaimed from the charity are set out in note 8 to the financial statements. Trustees and individual liability insurance covers up to £500,000 of liability.

## Fundraising

The majority of Emmaus UK's fundraising income is generated via individual giving. Emmaus UK primarily uses media inserts and direct mail to recruit and maintain a database of individual donors, as well as generating income from sponsored challenge events, regular giving (via direct debits and standing orders) and from gifts left as legacies.

The fundraising team also uses corporate fundraising to maximise income and non-financial support from corporates for Emmaus UK and federation members, and trust fundraising to generate income from trust and foundation applications.

Third parties including copywriters and commercial printers are used to produce and distribute materials by the most efficient and cost-effective means. Any third parties working with Emmaus UK on its fundraising activities are subject to due diligence before they begin delivering work. This includes ensuring data protection controls are in place, seeking references and conducting tender processes.

Emmaus UK is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice which the regulator maintains. Emmaus UK also maintains and publishes an Ethical Fundraising Policy which sets out the approach to transparent and honest fundraising practice, including how donors are contacted, how donor data is protected, how vulnerable people are protected and how to feed back or make a complaint. Alongside the Ethical Fundraising Policy, the Vulnerable Persons Policy also details the approach to protecting vulnerable people within Emmaus UK's fundraising activities.

Emmaus UK received no fundraising-related complaints for year ending 30 June 2019.



## Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 20 August 1997 and registered as a charity on 18 September 1997.

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.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

The Charity is a company limited by guarantee and a registered charity in England and Wales. Its governing documents are its Articles of Association, Rules and Byelaws. The Board and Emmaus UK act as a focus for members of the federation to enable them to work together in pursuit of the movement's stated aims and objectives, whilst at the same time functioning as independent, self-supporting and sustaining communities.

The Charity's principal objectives, as set out in its Articles of Association, are the alleviation and relief of poverty, hardship and distress for those in need, without distinction, by:

- Laying down and promoting the principles of the movement both in the UK and world-wide, furthering its growth within the terms of these objectives by acting as a national federal body for all the Charity's members.
- Preserving, defending and enhancing the Emmaus name for the good of the movement.
- Acting as a central coordinating body for the exchange of views, information and publicity with the aim of promoting unity within the movement.
- Being the UK-wide voice and representative of the movement.
- Educating the public in the needs of poor and marginalised people through whatever means of publicity or education the Charity deems fit.
- Developing communities and other initiatives either directly or through supporting the work of members of the Charity or other organisations within the movement.
- Providing or assisting in providing accommodation and work for poor and homeless people at locations in the UK as may seem appropriate from time to time.
- Providing and encouraging appropriate training and development throughout the movement.
- Encouraging good practice on the part of federation members, and other organisations or agencies working or involved in communities, and publishing codes of recommended practice, guidance manuals and other educational and training material.
- Acting as a channel of communication and co-operation with Emmaus International.
- Supporting the work of other agencies in the relief of poverty and homelessness whether in the UK or elsewhere in the world; in particular (but without limitation) by the exchange of resources, information and expertise with other Emmaus groups world-wide.

The Charity supports the federation, the full members of which elect its Board of Trustees. The Board may co-opt up to four additional trustees. A majority of the Charity's elected trustees must be trustees or employees of full members and, prior to the AGM, all members are invited to make

## Trustees' annual report

For the year ended 30 June 2019

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nominations for new trustees. When choosing trustees for co-option, the Board considers the need for any specialist skills. New trustees are provided with an induction pack, the contents of which include the governing documents, the current federation and Emmaus UK plans, recent financial information and a number of relevant policies. They are also invited to attend an induction day where they are briefed on their obligations under company and charity law as well as the activities of Emmaus UK. Those who have not already done so are encouraged to visit a number of members of the federation – both communities and groups. Ongoing training is given to trustees in line with the requirements of the Charities SORP.

The trustees are responsible for providing direction, strategy and governance to the charity. Responsibility for the implementation of this guidance is delegated to the Chief Executive. Four committees help to increase the Board's effectiveness.

### Appointment of trustees

The board has, and regularly considers, the mix of skills, knowledge and experience it needs to govern, lead and deliver the charity's purposes effectively. It reflects this mix in its trustee appointments, balancing the need for continuity with the need to refresh the board. The constitution allows for regular refreshing of the board but also enables the board to retain needed skills. There is a formal, rigorous and transparent procedure to appoint new trustees to the board, which includes advertising vacancies widely. Trustees are appointed for fixed 3 years term and may serve no more than 9 years in total.

### Membership of Board and committees (on 30 June 2019)

#### Emmaus UK Board

The Board of Trustees governs Emmaus UK and is the ambassador for the federation and its members, safeguarding and promoting, both internally and externally, the values, mission, vision and strategic aims of Emmaus in the UK.

**Chair:** Frank McMahon – Independent

**Vice-Chairs:**

David Cooper – Emmaus Hastings & Rother

Sue Brooksbank-Taylor – Emmaus Coventry & Warwickshire

**Treasurer:** John Whittaker – Independent

**Trustees:**

Geraldine Tsakirakis – Emmaus Coventry & Warwickshire

John Clark – Emmaus Greenwich

Keith Jeffrey – Independent

Kelly Finnis (Formerly Thompson) – Emmaus Hull & East Riding

Pauline Curl – Independent

Tony Ferrier – Emmaus Hertfordshire

## Emmaus UK

### Trustees' annual report

For the year ended 30 June 2019

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**Ex-Officio:** Simon Grainge – Emmaus UK Chief Executive

**Secretary:** Simon Grainge – Emmaus UK Chief Executive

### Operations Committee

The role of the Operations Committee is to oversee and review the work of the federation of Emmaus communities and groups in the UK, on behalf of the Emmaus UK Board, in order to ensure that its members demonstrate strength, quality, operate in line with good practice and are working together to achieve the federation's strategic objectives.

**Chair:** David Cooper – Emmaus Hastings & Rother

**Members:**

Frances Hirst – Emmaus Mossley

John Clark – Emmaus Greenwich

Kelly Finnis (Formerly Thompson) – Emmaus Hull & East Riding

Michael Heap – Emmaus Cornwall and Emmaus Gloucestershire

Pauline Curl – Independent

Sam Croft – Emmaus St Albans

Steve James – Emmaus Oxford

Sue Brooksbank-Taylor – Emmaus Coventry & Warwickshire

Tony Ferrier – Emmaus Hertfordshire

**Ex-Officio:**

Frank McMahon – Emmaus UK Chair

Simon Grainge – Emmaus UK Chief Executive

**Secretary:** Duncan Gall – Emmaus UK Head of Federation Support

### Investment Committee

The role of the Investment Committee is to govern the Emmaus Funds and to ensure that decision-making around the distribution of funds and subsequent monitoring is appropriately independent, consistent and transparent.

**Chair:** Keith Tolladay – Independent

**Members:**

Geraldine Tsakirakis – Emmaus Coventry & Warwickshire

John Bromley – Independent

Keith Jeffrey – Independent

Samantha Tubb – Independent

**Ex-Officio:**

Frank McMahon – Emmaus UK Chair

Simon Grainge – Emmaus UK Chief Executive

**Secretary:** Linda Drury – Emmaus UK Head of Business Development

## Resources Committee

The Resources Committee exists to manage and oversee the financial and human resources of Emmaus UK, the Charity, on behalf of the Emmaus UK Board. Within this remit it ensures that the Charity: adopts appropriate and effective human resource policies in the employment of its staff; effectively manages and monitors its financial resources and adopts appropriate strategies in relation to fundraising and finance; and has the capacity to deliver the annual office plan that delivers the federation strategic plan. It also recommends to the board the annual budgets (including the staff and remuneration budgets) and reviews the annual objectives and performance of the CE.

**Chair:** Sue Brooksbank–Taylor – Emmaus Coventry & Warwickshire

**Members:**

David Cooper – Emmaus Hastings & Rother

Frank McMahon – Independent

John Whittaker – Independent

**Ex–Officio:** Simon Grainge – Emmaus UK Chief Executive

**Secretary:** Sanja Kalik – Emmaus UK Head of Finance

## Audit, Risk and Governance Committee

The main role of the Audit, Risk and Governance Committee is to ensure that the charity adopts appropriate and effective frameworks for robust internal control, audit and risk management, as well as maintaining high levels of good governance and scrutinising performance in these key areas.

**Chair:** Steve Cook – Emmaus Suffolk

**Members:**

Anna McKain – Independent

John Clark – Emmaus Greenwich

Sarah Pritchard – Independent

Sue Brooksbank–Taylor – Emmaus Coventry & Warwickshire

**Ex–Officio:**

Frank McMahon – Emmaus UK Chair

Simon Grainge – Emmaus UK Chief Executive

**Secretary:** Sanja Kalik – Emmaus UK Head of Finance

## Related parties and relationships with other organisations

As listed above and as stated in articles many Emmaus UK's Trustees are also members of staff or Trustees of Emmaus communities or groups. There are no additional relationships between the charity and related parties including its subsidiary undertakings, and with any other charities and organisations with which it cooperates in the pursuit of its charitable objectives.

## Trustees' annual report

For the year ended 30 June 2019

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Emmaus UK administers loans on behalf of The Rayne foundation to Emmaus Communities or Groups. Emmaus UK bears no liability for repayment of principal. This rests with the loan recipient.

## Funds held as custodian trustee on behalf of others

Emmaus UK did not act as a custodian trustee during this accounting period

## Statement of responsibilities of the trustees

The trustees (who are also directors of Emmaus UK for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Trustees' annual report**

**For the year ended 30 June 2019**

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Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 June 2019 was 13 (2018:14). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## **Auditor**

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 10 December 2019 and signed on their behalf by

Frank McMahon  
Chair of Trustees

## Independent auditor's report

To the members of

Emmaus UK

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Independent auditor's report to the members of Emmaus UK

### Opinion

We have audited the financial statements of Emmaus UK (the 'charitable company') for the year ended 30 June 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30 June 2019 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
- 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

## Independent auditor's report

To the members of

Emmaus UK

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### Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.



## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

## Independent auditor's report

To the members of

Emmaus UK

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are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)

19 December 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

## Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 June 2019

		2019			2018		
	Note	Unrestricted and Designated £	Restricted £	Total £	Unrestricted and Designated £	Restricted £	Total £
<b>Income from:</b>							
Donations and legacies	2	2,408,206	194,853	<b>2,603,059</b>	1,378,612	179,981	1,558,593
Charitable activities							
Support to Federation and communities	3	243,030	108,533	<b>351,563</b>	353,229	155,300	508,529
Other trading activities		-	-	-	100	-	100
Interest receivable	4	44,578	-	<b>44,578</b>	30,542	-	30,542
Other		-	-	-	(2,093)	-	(2,093)
<b>Total income</b>		<b>2,695,814</b>	<b>303,386</b>	<b>2,999,200</b>	<b>1,760,390</b>	<b>335,281</b>	<b>2,095,671</b>
<b>Expenditure on:</b>							
Raising funds	5	463,298	135,998	<b>599,296</b>	514,702	-	514,702
Charitable activities							
Support to Federation and communities	5	1,750,673	325,112	<b>2,075,785</b>	887,356	390,323	1,277,679
<b>Total expenditure</b>		<b>2,213,971</b>	<b>461,110</b>	<b>2,675,081</b>	<b>1,402,058</b>	<b>390,323</b>	<b>1,792,381</b>
<b>Net income / (expenditure) for the year</b>	7	<b>481,843</b>	<b>(157,724)</b>	<b>324,119</b>	<b>358,332</b>	<b>(55,042)</b>	<b>303,290</b>
Transfers between funds		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>481,843</b>	<b>(157,724)</b>	<b>324,119</b>	<b>358,332</b>	<b>(55,042)</b>	<b>303,290</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		2,531,644	234,170	<b>2,765,814</b>	2,173,312	289,212	2,462,524
<b>Total funds carried forward</b>		<b>3,013,487</b>	<b>76,446</b>	<b>3,089,933</b>	<b>2,531,644</b>	<b>234,170</b>	<b>2,765,814</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Emmaus UK

Balance sheet

Company no. 03422341

As at 30 June 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets:</b>					
Tangible assets	12		11,285		13,012
Social investments: Emmaus Fund	13		726,248		889,693
			<u>737,533</u>		<u>902,705</u>
<b>Current assets:</b>					
Debtors	14	112,477		149,452	
Short term deposits		2,762,023		1,683,884	
Cash at bank and in hand		363,488		223,722	
		<u>3,237,988</u>		<u>2,057,057</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	15	(885,588)		(193,948)	
<b>Net current assets</b>			<u>2,352,400</u>		<u>1,863,109</u>
<b>Total net assets</b>			<u><u>3,089,933</u></u>		<u><u>2,765,814</u></u>
<b>The funds of the charity:</b>					
Restricted income funds	18a		76,446		234,170
Unrestricted income funds:					
Designated funds		2,495,636		2,108,239	
General funds		517,851		423,405	
		<u>3,013,487</u>		<u>2,531,644</u>	
<b>Total charity funds</b>			<u><u>3,089,933</u></u>		<u><u>2,765,814</u></u>

Approved by the trustees on 10 December 2019 and signed on their behalf by

Frank McMahon  
Chair of Trustees, Emmaus UK

Emmaus UK

Statement of cash flows

For the year ended 30 June 2019

	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>				
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	324,119		303,290	
Reclassification of social investments	95,000		-	
Bank and investment interest	(44,578)		(30,542)	
Depreciation charges	8,593		16,105	
(Increase)/decrease in debtors	36,974		(70,810)	
Increase/(decrease) in creditors	691,640		50,305	
<b>Net cash provided by / (used in) operating activities</b>		<b>1,111,748</b>		<b>268,348</b>
<b>Cash flows from investing activities:</b>				
Purchase of fixed assets	(6,866)		(9,890)	
Bank and investment interest	44,578		30,542	
<b>Net cash provided by / (used in) investing activities</b>		<b>37,712</b>		<b>20,652</b>
<b>Cash flows from financing activities:</b>				
Loans made from Emmaus Fund	-		(133,000)	
Receipt of Emmaus Fund loan repayments	68,445		30,250	
<b>Net cash provided by / (used in) financing activities</b>		<b>68,445</b>		<b>(102,750)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>1,217,905</b>		<b>186,250</b>
Cash and cash equivalents at the beginning of the year		1,907,606		1,721,356
<b>Cash and cash equivalents at the end of the year</b>		<b>3,125,511</b>		<b>1,907,606</b>
<b>Analysis of cash and cash equivalents</b>				
	At 1 July 2018		Cash flows	At 30 June 2019
	£		£	£
Short term deposits	1,683,884		1,078,139	2,762,023
Cash at bank and in hand	223,722		139,766	363,488
<b>Total cash and cash equivalents</b>	<b>1,907,606</b>		<b>1,217,905</b>	<b>3,125,511</b>

**1 Accounting policies**

**a) Statutory information**

Emmaus UK is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address (and principal place of business) is Unit 302 Scott House, The Custard Factory, Gibb Street, Birmingham, B9 4AA.

**b) Basis of preparation**

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**c) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Solidarity grant income is the repayment on grants given to groups and communities when they are in the process of developing. The income is paid into the Emmaus Fund to be re-distributed to groups and communities as a grant or loan.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. In exceptional circumstances when a loan is converted to a grant, any outstanding interest will be written of at conversion date.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

The designated Emmaus Fund is held for payments to be made in the future to Emmaus groups and communities, to support Emmaus International movement and development projects at Emmaus UK. The trustees have the power to reallocate such funds within unrestricted funds. Note 18 provides detail on the balances of the designated funds.

**1 Accounting policies (continued)**

**i) Expenditure and irrecoverable VAT**

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. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**j) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity. Emmaus UK operates three grants funds: Companion room expansion grants, formerly known as 25th Anniversary Grants, used to increase number of bed spaces across Emmaus communities. Capacity Development Grant, former Legacy fund, used to expand business opportunities. Grants may be funded over varying periods of time, therefore cost and progress is monitored on continuous bases by the Investment Committee. The companion training fund is direct support for companions request for learning and necessary tools to move on.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

**k) Allocation of support costs**

All support and governance costs are allocated to the charitable activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**l) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**m) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Leasehold improvements	4 years	straight line
• Office furniture and equipment	4/5 years	straight line
• Computers	3 years	straight line
• Motor vehicles	4 years	straight line

**n) Social investments**

The Community Investment and Enterprise Loan fund, previously called The Emmaus Fund, is a loan-making fund with the intention of providing funds to support communities to change, grow or survive. Priority is given to communities that are expressly working towards financial self-sustainability. The Investment Committee ensures that decision-making around the distribution of funds and subsequent monitoring is appropriately independent, consistent and transparent. The committee oversees that the governance of loans made by Emmaus UK's social investment partners, providing independent due diligence and appropriate monitoring including quarterly risk review for each investment. In exceptional circumstances The Emmaus Board could convert loans to grants.

**o) Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**p) Short term deposits**

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 24 months.

**q) Cash at bank and in hand**

Cash at the current bank account, PayPal account and cash in hand are included as cash at bank and in hand.

**1 Accounting policies (continued)****r) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**s) 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**t) Pensions**

The company operates a money purchase pension scheme under which the amount charged to the statement of financial activities 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.

**u) Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of financial activities.

**2 Income from donations and legacies**

	2019			2018				
	Unrestricted £	Designated £	Restricted £	Total £	Unrestricted £	Designated £	Restricted £	Total £
Donations to Emmaus UK for federation members	-	-	126,019	126,019	-	-	171,400	171,400
Donations for Emmaus UK	1,130,714	-	58,834	1,189,548	1,092,220	-	3,581	1,095,801
Legacies	1,271,992	-	10,000	1,281,992	286,392	-	5,000	291,392
Donated services	5,500	-	-	5,500	-	-	-	-
	<u>2,408,206</u>	<u>-</u>	<u>194,853</u>	<u>2,603,059</u>	<u>1,378,612</u>	<u>-</u>	<u>179,981</u>	<u>1,558,593</u>

**3 Income from charitable activities**

	2019			2018				
	Unrestricted £	Designated £	Restricted £	Total £	Unrestricted £	Designated £	Restricted £	Total £
Regional Communication Services	66,096	-	-	66,096	-	-	-	-
Grants from trusts and foundations	66,020	-	108,533	174,553	184,956	-	155,300	340,256
Subscription income from federation members	59,493	-	-	59,493	31,542	-	-	31,542
Repayment of solidarity grants	28,055	-	-	28,055	-	115,418	-	115,418
National Assembly income	23,366	-	-	23,366	21,313	-	-	21,313
Total income from charitable activities	<u>243,030</u>	<u>-</u>	<u>108,533</u>	<u>351,563</u>	<u>237,811</u>	<u>115,418</u>	<u>155,300</u>	<u>508,529</u>

**4 Interest receivable**

	2019			2018				
	Unrestricted £	Designated £	Restricted £	Total £	Unrestricted £	Designated £	Restricted £	Total £
Bank interest	16,903	-	-	16,903	3,145	-	-	3,145
Loan interest	27,675	-	-	27,675	22,211	5,186	-	27,397
	<u>44,578</u>	<u>-</u>	<u>-</u>	<u>44,578</u>	<u>25,356</u>	<u>5,186</u>	<u>-</u>	<u>30,542</u>

Loan interest includes interest receivable from Social investment in Emmaus communities and proportion of interest collected on behalf of The Rayne Foundation. Emmaus UK administrates grants on behalf on The Rayne Foundation and will bear no liability for repayments of principal. This sits with the Emmaus communities as the loan recipients.



## 5a Analysis of expenditure (current year)

	Charitable activities				2019 Total £	2018 Total £
	Raising funds £	Support to federation and communities £	Governance costs £	Support costs £		
Staff costs (Note 8)	388,834	363,046	103,242	148,650	1,003,772	984,438
Marketing costs	145,276	-	-	-	145,276	141,569
Major donor event	8,094	-	-	-	8,094	4,117
Emmaus International participation	-	11,000	-	-	11,000	19,316
Website development	39,394	-	-	-	39,394	12,595
Donations received on behalf of federation members	-	134,038	-	-	134,038	118,438
Support to federation members	1,746	269,675	-	-	271,421	164,159
Grants paid out of Companion Room Expansion Grant (Note 6)	-	606,849	-	-	606,849	15,000
Grants paid out of Community development Grant (Note 6)	-	136,351	-	-	136,351	65,435
Grant paid out of Community and Enterprise Loan Fund (Note 6)	-	95,000	-	-	95,000	-
Wallington shop	-	-	-	-	-	571
Trust income received on behalf of federation members	-	-	-	-	-	50,000
Other direct costs	-	857	2,867	-	3,724	-
Trustee meetings, expenses, training and insurance	-	-	13,217	-	13,217	11,030
Premises and office administration	-	-	-	118,988	118,988	73,052
Financial processing and insurance	12,334	-	-	38,598	50,932	33,547
Recruitment	-	1,900	15,178	-	17,078	33,169
Other	-	-	1,036	-	1,036	18,746
Depreciation	-	-	-	8,593	8,593	16,105
Professional fees	3,618	5,500	-	1,200	10,318	31,094
	<b>599,296</b>	<b>1,624,216</b>	<b>135,540</b>	<b>316,029</b>	<b>2,675,081</b>	<b>1,792,381</b>
Support costs	-	316,029	-	(316,029)	-	-
Governance costs	-	135,540	(135,540)	-	-	-
<b>Total expenditure 2019</b>	<b>599,296</b>	<b>2,075,785</b>	<b>-</b>	<b>-</b>	<b>2,675,081</b>	<b>-</b>
Total expenditure 2018	514,702	1,277,679	-	-	-	1,792,381

5b Analysis of expenditure (prior year)

	Charitable activities				2018 Total £	2017 Total £
	Raising funds £	Support to federation and communities £	Governance costs £	Support costs £		
Staff costs (Note 8)	343,089	532,747	108,602	-	<b>984,438</b>	945,086
Marketing costs	141,569	-	-	-	<b>141,569</b>	144,497
Major donor event	4,117	-	-	-	<b>4,117</b>	12,295
Emmaus International participation	13,332	5,984	-	-	<b>19,316</b>	-
Website development	12,595	-	-	-	<b>12,595</b>	8,930
Donations received on behalf of federation members	-	118,438	-	-	<b>118,438</b>	138,480
Support to federation members	-	164,159	-	-	<b>164,159</b>	121,212
Grants paid out of 25th Anniversary Fund (Note 6)	-	15,000	-	-	<b>15,000</b>	50,000
Grants paid out of Emmaus Fund (Note 6)	-	-	-	-	-	9,827
Grants paid out of Legacy Fund (Note 6)	-	65,435	-	-	<b>65,435</b>	78,389
Wallington shop	-	571	-	-	<b>571</b>	18,264
Trust income received on behalf of federation members	-	50,000	-	-	<b>50,000</b>	-
Other direct costs	-	-	-	-	-	4,583
Trustee meetings, expenses, training and insurance	-	-	11,030	-	<b>11,030</b>	11,079
Premises and office administration	-	-	-	73,052	<b>73,052</b>	73,843
Financial processing and insurance	-	-	-	33,547	<b>33,547</b>	30,183
Recruitment	-	-	-	33,169	<b>33,169</b>	-
Other	-	-	-	18,746	<b>18,746</b>	41,602
Depreciation	-	-	-	16,105	<b>16,105</b>	16,413
Professional fees	-	-	-	31,094	<b>31,094</b>	500
	<b>514,702</b>	<b>952,334</b>	<b>119,632</b>	<b>205,713</b>	<b>1,792,381</b>	<b>1,705,183</b>
Support costs	-	205,713	-	(205,713)	-	-
Governance costs	-	119,632	(119,632)	-	-	-
<b>Total expenditure 2018</b>	<b>514,702</b>	<b>1,277,679</b>	<b>-</b>	<b>-</b>	<b>1,792,381</b>	
Total expenditure 2017	514,061	1,191,122	-	-		<b>1,705,183</b>

## 6a Grant making (current year)

	2019 £	2018 £
<b>Cost</b>		
<b>Grants made from Community and Enterprise Investment Loan Fund (formerly Emmaus Fund)</b>		
Emmaus Medway	95,000	-
	<u>95,000</u>	<u>-</u>
<b>Grants made from Companion room expansion grants (formerly 25th Anniversary Fund)</b>		
Emmaus Colchester	100,000	-
Emmaus Hampshire	100,000	-
Emmaus Brighton and Hove	89,786	-
Emmaus Norfolk and Waveney	120,000	-
Emmaus Lambeth	141,000	-
Emmaus Leeds	60,000	-
Emmaus Hampshire	-	15,000
	<u>610,786</u>	<u>15,000</u>
<b>Grants repaid from Companion room expansion grants (formerly 25th Anniversary Fund)</b>		
Emmaus Hertfordshire	(3,937)	-
	<u>(3,937)</u>	<u>-</u>
<b>Grants made from Capacity Development Grants (formerly Legacy Fund)</b>		
Emmaus Dover	38,156	12,515
Emmaus Medway	-	6,512
Emmaus Preston	-	16,804
Emmaus Staffordshire	9,750	9,750
Emmaus Ipswich	-	19,854
Emmaus Bristol	10,000	-
Emmaus Coventry	6,000	-
Emmaus Hastings	16,729	-
Emmaus Suffolk	3,328	-
Emmaus Greenwich	10,000	-
Emmaus Burnley	13,856	-
Emmaus Cornwall	28,532	-
	<u>136,351</u>	<u>65,435</u>
At the end of the year	<u><u>838,200</u></u>	<u><u>80,435</u></u>

The names of the three funds was recently changed to make them reflective of the types of activities they support. The funds are now called:

Community and Enterprise Investment Loan Fund (formerly Emmaus Fund)

Companion room expansion grant (formerly 25th Anniversary Fund)

Capacity Development Grant Fund (formerly Legacy Fund)

## 6b Grant making (prior year)

	2018 £	2017 £
<b>Cost</b>		
<b>Grants made from Companion room expansion grants (formerly 25th Anniversary Fund)</b>		
Emmaus Hampshire	15,000	-
Emmaus Hertfordshire (St Albans)	-	50,000
	<u>15,000</u>	<u>50,000</u>
<b>Grants made from Community and Enterprise Investment Loan Fund (formerly Emmaus Fund)</b>		
Emmaus Burnley	-	2,827
Emmaus Gloucestershire	-	7,000
	<u>-</u>	<u>9,827</u>
<b>Grants made from Capacity development grants (formerly Legacy Fund)</b>		
Emmaus Dover	12,515	-
Emmaus Medway	6,512	33,476
Emmaus Preston	16,804	38,000
Emmaus Staffordshire	9,750	-
Emmaus Ipswich	19,854	1,885
Emmaus Burnley	-	2,028
Emmaus Cornwall	-	3,000
	<u>65,435</u>	<u>78,389</u>
At the end of the year	<u><u>80,435</u></u>	<u><u>138,216</u></u>

## 7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	8,593	16,105
Operating lease rentals payable:		
Property	33,440	29,616
Auditor's remuneration (excluding VAT):		
Audit	8,500	10,800
Other services	3,000	-
	<u><u>8,500</u></u>	<u><u>10,800</u></u>
	<u><u>3,000</u></u>	<u><u>-</u></u>

## Notes to the financial statements

For the year ended 30 June 2019

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	852,775	758,499
Redundancy and termination costs	–	10,000
Social security costs	58,151	80,795
Employer's contribution to defined contribution pension schemes	37,643	37,497
Other forms of employee benefits	55,203	97,648
	<u>1,003,772</u>	<u>984,439</u>

In 2018 the redundancy and termination costs were settled and paid at the balance sheet date.

Other forms of employee benefits include travelling, subsistence and personal development costs.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019 No.	2018 No.
£70,000 – £79,999	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £270,408 (2018: £192,033) as a consequence of increased key number management to separate federations support services from social enterprise support and development services.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £4,470 (2018: £3,763) incurred by 7 (2018: 10) members relating to attendance at meetings of the trustees.

**9 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 30 (2018: 28).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2019 No.	2018 No.
Raising funds	4.0	11.0
Charitable activities	13.0	7.0
Support and governance	7.0	6.0
	<u>24.0</u>	<u>24.0</u>

## Notes to the financial statements

For the year ended 30 June 2019

**10 Related party transactions**

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The repayment of the solidarity grants have been recognised as income from charitable activities (Note 3), rather than as donations, and these have been included within the designated Emmaus Fund.

Grants and Loans were made to the following communities, which have trustees in common with Emmaus UK during this year:

	2019 £	2018 £
Emmaus Coventry & Warwickshire	7,592	4,729
Emmaus Greenwich	15,542	2,529
Emmaus Cambridge	2,582	1,118
Emmaus Hastings & Rother	20,825	2,633
Emmaus Hertfordshire	6,013	1,115
Emmaus Leicestershire	30	-
Emmaus Leeds	62,073	-
Emmaus South Wales	1,082	-
Emmaus Hull & East Riding	8,238	4,327
Emmaus Village Carlton	2,187	-
	<u>126,164</u>	<u>16,451</u>

**11 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. Eliminated on write off of assets no longer in use.

**12 Tangible fixed assets**

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At the start of the year	6,245	49,142	47,242	102,629
Additions in year	-	3,038	3,828	6,866
Write off of assets no longer in use	-	(3,000)	(7,096)	(10,096)
At the end of the year	<u>6,245</u>	<u>49,180</u>	<u>43,974</u>	<u>99,399</u>
<b>Depreciation</b>				
At the start of the year	6,245	45,202	38,170	89,617
Charge for the year	-	4,273	4,320	8,593
Eliminated on write off assets no longer in use	-	(3,000)	(7,096)	(10,096)
At the end of the year	<u>6,245</u>	<u>46,475</u>	<u>35,394</u>	<u>88,114</u>
<b>Net book value</b>				
At the end of the year	<u>-</u>	<u>2,706</u>	<u>8,580</u>	<u>11,285</u>
At the start of the year	<u>-</u>	<u>3,940</u>	<u>9,072</u>	<u>13,012</u>

All of the above assets are used for charitable purposes.

**13 Social investments: Community and Enterprise Investment Loan Fund (formerly Emmaus Fund)**

	2019 £	2018 £
Balance at the beginning of the year	889,693	786,943
Loans made during the year	–	133,000
Loans repaid during the year	(68,445)	(30,250)
Reclassification to a grant	(95,000)	–
Balance at the end of the year	<u>726,248</u>	<u>889,693</u>

At 30 June 2019 there were no loans committed but not taken up (2018: nil).

The Investment Committee decides upon the interest rate charged; this can vary from nil, 1% or 4% on case by case basis.

**14 Debtors**

	2019 £	2018 £
Trade debtors	21,257	17,649
Other debtors	4,628	4,425
Prepayments	78,373	120,598
Accrued income (gift aid tax recoverable)	8,219	6,780
	<u>112,477</u>	<u>149,452</u>

**15 Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	145,657	93,486
Taxation and social security	18,980	25,532
Grants payable	699,311	–
Other creditors	1,850	3,002
Accruals	19,790	46,928
Deferred income (note 16)	–	25,000
	<u>885,588</u>	<u>193,948</u>

## Notes to the financial statements

For the year ended 30 June 2019

## 16 Deferred income

Deferred income comprises grant income received in year and deferred to future periods.

	2019 £	2018 £
Balance at the beginning of the year	25,000	-
Amount released to income in the year	(25,000)	-
Amount deferred in the year	-	25,000
Balance at the end of the year	<u>-</u>	<u>25,000</u>

## 17a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	11,285	-	-	11,285
Social investments	-	726,248	-	726,248
Net current assets	506,566	1,769,388	76,446	2,352,400
<b>Net assets at 30 June 2019</b>	<b><u>517,851</u></b>	<b><u>2,495,636</u></b>	<b><u>76,446</u></b>	<b><u>3,089,933</u></b>

## 17b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	13,012	-	-	13,012
Social investments	-	889,693	-	889,693
Net current assets	410,393	1,218,546	234,170	1,863,109
<b>Net assets at 30 June 2018</b>	<b><u>423,405</u></b>	<b><u>2,108,239</u></b>	<b><u>234,170</u></b>	<b><u>2,765,814</u></b>



## 18a Movements in funds (current year)

	Note	At 1 July 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2019 £
<b>Restricted funds:</b>						
<b>Communities</b>						
Emmaus Bolton		1	1,515	(1,443)	-	73
Emmaus Bristol		-	2,616	(2,507)	-	109
Emmaus Burnley		-	335	(334)	-	1
Emmaus Brighton & Hove (Sussex)		-	1,105	(1,099)	-	6
Emmaus Cambridge		-	15,056	(13,541)	-	1,515
Emmaus Colchester		-	2,513	(2,358)	-	155
Emmaus Coventry & Warwickshire		-	6,590	(6,652)	-	(61)
Emmaus Dover		-	178	(178)	-	-
Emmaus Glasgow		-	2,555	(2,289)	-	266
Emmaus Gloucestershire		-	4,172	(4,399)	-	(228)
Emmaus Greenwich		-	9,500	(9,617)	-	(117)
Emmaus Hampshire		-	2,094	(1,992)	-	103
Emmaus Hastings and Rother		-	1,310	(1,254)	-	56
Emmaus Hertfordshire (St Albans)		-	2,800	(2,586)	-	214
Emmaus Hull & East Riding		-	3,409	(3,902)	-	(493)
Emmaus Lambeth		-	4,602	(4,501)	-	101
Emmaus Leeds	28		12,028	(10,765)	-	1,291
Emmaus Leicestershire and Rutland	(1,604)		1,096	(1,071)	-	(1,579)
Emmaus Merseyside	-		2,484	(3,033)	-	(548)
Emmaus Medway	(10)		6,487	(6,464)	-	13
Emmaus Mossley	-		4,301	(4,299)	-	2
Emmaus Oxford	-		15,897	(16,011)	-	(114)
Emmaus North East	-		3,081	(3,003)	-	79
Emmaus Norfolk and Waveney	-		3,826	(4,663)	-	(838)
Emmaus Preston	13		1,924	(1,927)	-	10
Emmaus Salford	-		4,793	(4,760)	-	33
Emmaus Sheffield	-		1,507	(1,424)	-	83
Emmaus South Manchester	-		289	-	-	289
Emmaus South Wales (Bridgend)	1		1,195	(1,056)	-	140
Emmaus Village Carlton (Turvey)	-		14,083	(14,123)	-	(40)
		(1,571)	133,337	(131,247)	-	519
<b>Affiliated Groups</b>						
Emmaus Bradford	-		613	(463)	-	150
Emmaus Cornwall	-		465	(2,359)	-	(1,894)
Emmaus Rugby	101		-	-	-	101
Emmaus Staffordshire	-		158	(145)	-	13
Emmaus Suffolk (Ipswich)	-		1,847	(1,784)	-	63
		101	3,082	(4,751)	-	(1,568)
<b>Other restricted funds</b>						
Charles Russell LLP	b	8,341	-	(8,341)	-	-
Anonymous funder	c	20,368	-	(20,368)	-	-
John Laing Charitable Trust	d	-	40,000	(33,180)	-	6,820
The Broyst Foundation	e	1	1,000	(1)	-	1,000
The Dulverton Trust	f	19,998	-	(19,998)	-	-
25th Anniversary Fund	g	78,844	54,070	(132,914)	-	-
Smallwood Trust	h	2,657	-	-	-	2,657
Corporates for Companion training	i	4,887	44,897	(49,784)	-	-
Persula	ac	-	2,000	-	-	2,000
Garfield Weston Foundation	k	5,039	-	(5,039)	-	-
Anonymous funder	l	76,839	-	(30,487)	-	46,352
Beatrice Laing	m	18,666	25,000	(25,000)	-	18,666
		235,640	166,967	(325,112)	-	77,495
<b>Total restricted funds</b>		<b>234,170</b>	<b>303,386</b>	<b>(461,110)</b>	<b>-</b>	<b>76,446</b>

## Notes to the financial statements

For the year ended 30 June 2019

## 18a Movements in funds (current year) (continued)

	Note	At 1 July 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2019 £
<b>Unrestricted funds:</b>						
Designated funds:						
Community and Enterprise						
Investment Loan Fund	o	1,400,967	51,474	(95,000)	89,465	1,446,906
Capacity development Grants	p	472,123	-	(136,351)	89,465	425,237
HR project	q	-	-	-	5,000	5,000
IT project	r	104,349	-	(104,349)	55,000	55,000
Business planning	s	-	-	-	59,028	59,028
Emmaus International	t	10,000	-	(10,000)	45,000	45,000
Staff training	u	25,800	-	(12,900)	8,000	20,900
Web development	v	35,000	-	(34,725)	(275)	-
Sustainability research	w	10,000	-	-	-	10,000
Colstable Trust	x	50,000	-	(50,000)	-	-
Base Grants	z	-	-	-	30,000	30,000
Companion training fund	aa	-	-	-	50,000	50,000
Companion room expansion grant	ab	-	-	(473,935)	742,500	268,565
Federation emergency fund	ad	-	-	-	80,000	80,000
<b>Total designated funds</b>		<b>2,108,239</b>	<b>51,474</b>	<b>(917,260)</b>	<b>1,253,183</b>	<b>2,495,636</b>
<b>General funds</b>	y	<b>423,405</b>	<b>2,644,340</b>	<b>(1,296,711)</b>	<b>(1,253,183)</b>	<b>517,851</b>
<b>Total unrestricted funds</b>		<b>2,531,644</b>	<b>2,695,814</b>	<b>(2,213,971)</b>	<b>-</b>	<b>3,013,487</b>
<b>Total funds</b>		<b>2,765,814</b>	<b>2,999,200</b>	<b>(2,675,080)</b>	<b>-</b>	<b>3,089,933</b>

Surplus at the end of financial year is equally shared between Community and Enterprise Investment Loan Fund (formerly Emmaus Fund), and Capacity Development Grants (formerly Legacy Fund), after allocation of resources for development of all Emmaus communities and allocation of resources to Emmaus International movement.

## 18b Movements in funds (prior year)

	Note	At 1 July 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2018 £
<b>Restricted funds:</b>						
<b>Communities</b>						
Emmaus Bolton		4	820	(823)	-	1
Emmaus Bristol		2	6,396	(6,398)	-	-
Emmaus Burnley		1	858	(859)	-	-
Emmaus Brighton & Hove (Sussex)		16	6,957	(6,973)	-	-
Emmaus Cambridge		42	11,668	(11,710)	-	-
Emmaus Colchester		6	3,827	(3,833)	-	-
Emmaus Coventry & Warwickshire		1,126	7,227	(8,353)	-	-
Emmaus Dover		-	1,714	(1,714)	-	-
Emmaus Glasgow		9	6,812	(6,821)	-	-
Emmaus Gloucestershire		13	4,917	(4,930)	-	-
Emmaus Greenwich		12	1,693	(1,705)	-	-
Emmaus Hampshire		-	673	(673)	-	-
Emmaus Hastings and Rother		126	2,472	(2,598)	-	-
Emmaus Hertfordshire (St Albans)		73	1,187	(1,260)	-	-
Emmaus Hull & East Riding		8	6,847	(6,855)	-	-
Emmaus Lambeth		27	3,678	(3,705)	-	-
Emmaus Leeds		46	5,211	(5,229)	-	28
Emmaus Leicestershire and Rutland		-	3,287	(4,891)	-	(1,604)
Emmaus Merseyside		9	2,979	(2,988)	-	-
Emmaus Medway		3	3,513	(3,526)	-	(10)
Emmaus Mossley		4	750	(754)	-	-
Emmaus Oxford		48	8,518	(8,566)	-	-
Emmaus North East		15	3,273	(3,288)	-	-
Emmaus Norfolk and Waveney		25	4,477	(4,502)	-	-
Emmaus Preston		23	2,804	(2,814)	-	13
Emmaus Salford		6	3,467	(3,473)	-	-
Emmaus Sheffield		-	654	(654)	-	-
Emmaus South Wales (Bridgend)		45	1,208	(1,252)	-	1
Emmaus Village Carlton (Turvey)		3	2,482	(2,485)	-	-
		1,692	110,369	(113,632)	-	(1,571)
<b>Affiliated Groups</b>						
Emmaus Bradford		-	717	(717)	-	-
Emmaus Cornwall		13	800	(813)	-	-
Emmaus Rugby		101	-	-	-	101
Emmaus Staffordshire		-	50,068	(50,068)	-	-
Emmaus Suffolk (Ipswich)		13	1,696	(1,709)	-	-
		127	53,281	(53,307)	-	101
<b>Other restricted funds</b>						
Abbe Pierre Memorial Fund	a	3,104	-	(3,104)	-	-
Charles Russell LLP	b	41,555	-	(33,214)	-	8,341
Anonymous funder	c	50,000	-	(29,632)	-	20,368
John Laing Charitable Trust	d	7,823	30,000	(37,823)	-	-
The Broyst Foundation	e	-	500	(499)	-	1
The Dulverton Trust	f	19,998	20,000	(20,000)	-	19,998
25th Anniversary Fund	g	31,212	62,632	(15,000)	-	78,844
Smallwood Trust	h	-	16,000	(13,343)	-	2,657
Corporates for Companion training	i	3,622	-	1,265	-	4,887
John Ellerman	j	14,425	17,500	(31,925)	-	-
Garfield Weston Foundation	k	20,036	-	(14,997)	-	5,039
Anonymous funder	l	95,617	-	(18,778)	-	76,839
Beatrice Laing	m	-	25,000	(6,334)	-	18,666
		287,392	171,632	(223,384)	-	235,640
<b>Total restricted funds</b>		<b>289,211</b>	<b>335,282</b>	<b>(390,323)</b>	<b>-</b>	<b>234,170</b>

## 18b Movements in funds (prior year) (continued)

Unrestricted funds:	Note	At 1 July 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2018 £
Designated funds:						
Emmaus Fund	o	1,224,539	120,604	(15,000)	70,824	1,400,967
Legacy Fund	p	466,734	-	(65,435)	70,824	472,123
HR project	q	25,000	-	(25,000)	-	-
IT project	r	20,200	-	(6,272)	90,421	104,349
Business planning	s	26,840	-	(26,840)	-	-
Emmaus International	t	10,000	-	(10,000)	10,000	10,000
Staff training	u	-	-	-	25,800	25,800
Web development	v	-	-	-	35,000	35,000
Sustainability research	w	-	-	-	10,000	10,000
Colstable Trust	x	-	-	-	50,000	50,000
		-	-	-	-	-
<b>Total designated funds</b>		<b>1,773,313</b>	<b>120,604</b>	<b>(148,547)</b>	<b>362,869</b>	<b>2,108,239</b>
<b>General funds</b>	y	<b>400,000</b>	<b>1,639,785</b>	<b>(1,253,511)</b>	<b>(362,869)</b>	<b>423,405</b>
<b>Total unrestricted funds</b>		<b>2,173,313</b>	<b>1,760,389</b>	<b>(1,402,058)</b>	<b>-</b>	<b>2,531,644</b>
<b>Total funds</b>		<b>2,462,524</b>	<b>2,095,671</b>	<b>(1,792,381)</b>	<b>-</b>	<b>2,765,814</b>

## Purposes of restricted funds

a	Abbe Pierre Memorial Fund	Following the death in January 2007 of Abbe Pierre, founder of the Emmaus movement, donations were made to the Abbe Pierre Memorial Fund. This was re-allocated last year and restricted for the provision of a capacity building adviser.
b	Charles Russell LLP	Charles Russell LLP contributed to the training fund for companions.
c	Anonymous funder	Anonymous funder is contributing to the Companion Core Offer project development and delivery.
d	John Laing Charitable Trust	John Laing Charitable Trust contributed to the training fund for companions and to the Data Warehouse Project.
e	The Broyst Foundation	The Broyst Foundation contributed to the training fund for companions.
f	The Dulverton Trust	The Dulverton Trust contributed to the training fund for companions.
g	Companion room expansion grant (25th Anniversary Fund)	Fund contributes to the provision of new rooms at Emmaus communities.
h	Smallwood Trust	Smallwood Trust contributed to research and analyse provision for homeless women.
i	Corporates for Companion training	Corporate donations were made for the training fund for companions.
j	John Ellerman	John Ellerman have contributed to the HR project for the communities.
k	Garfield Weston Foundation	Garfield Weston Foundation donated towards costs of the Companion Core Offer project.
l	Anonymous funder	Anonymous funder donated to the training fund for companions.
m	Beatrice Laing	Beatrice Laing fund contributed towards salary of business development team.

## Notes to the financial statements

For the year ended 30 June 2019

**Purposes of designated funds**

o	Community and enterprise investment loan fund (Emmaus Fund)	See note 6
p	Capacity development grants (Legacy Fund)	Provides grants to support communities and groups with specific capacity development needs (see note 6).
q	HR project	A two year project under the Strategic Plan. It intends to strengthen and maximise the potential of our existing staff teams and to streamline our recruitment process. In 2019–20 designated fund is targeting Emmaus UK team development.
r	IT project	A discrete piece of work to review the IT infrastructure at communities which will make recommendations to both the individual communities and the overall federation. Emmaus UK funded communities IT equipment and network development and maintenance. In 2019–20, designated fund will contribute towards basic IT maintenance cost for Emmaus communities.
s	Business planning	This project is created as part of strategic planning, gender equality research and development, development of social return to investment.
t	Emmaus International	Emmaus International has funds designated for £10,000 contribution to the president's costs, Emmaus Solidarity fund of £25,000 which contributes towards solidarity initiatives or appeals from Emmaus International and Europe. Emmaus UK contribution towards trip to France for Emmaus communities.
u	Staff training	Emmaus UK is committing toward staff professional development through Psychologically Informed Environment training delivery to all staff with reflective practise over two years. 2019–20 will be final year of PIE training project.
v	Web development	The emmaus.org.uk website is currently in need of renewal, having been developed five years ago.
w	Sustainability research	Research into sustainable communities
x	Colstable Trust	Designated for fundraising activities.
y	General fund	The general fund incorporates a reserve being approximately equivalent to 3 months' operating costs.
z	Base grants	Funding for new models of social enterprises.
aa	Companion training fund	Designated fund to support trainings and development opportunity for companions
ab	Companion room expansion grant	Funding to increase number of companion rooms that are available within communities
ac	Persula	Restricted fund towards companion training.
ad	Federation emergency fund	Designated funds to support the restructure of its communities

**19 Operating lease commitments payable as a lessee**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2019	2018	2019	2018
	£	£	£	£
Less than one year	33,440	33,440	–	684
One to five years	21,298	54,738	–	–
	<b>54,738</b>	<b>88,178</b>	<b>–</b>	<b>684</b>

**20 Capital commitments**

At the balance sheet date, the charity had no capital commitments (2018: £nil).

**21 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.