

Registrar

REGISTERED COMPANY NUMBER: 07188459 (England and Wales)
REGISTERED CHARITY NUMBER: 1136010

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016
FOR**

**EMMAUS SOUTH WALES
(A COMPANY LIMITED BY GUARANTEE)**



Graham Paul Limited
(Statutory Auditor)
Court House
Court Road
Bridgend
CF31 1BE

EMMAUS SOUTH WALES

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FOR THE YEAR ENDED 30 JUNE 2016**

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EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Emmaus is an international movement, independent of religious or political affiliation. It originated in France in 1949, based on Abbé Pierre's original idea of Solidarity: the poor working for those who were even poorer. Emmaus Communities in the UK enable people who are homeless to rebuild their lives within self-supporting Communities. The residents, known as Companions, sign off benefits on joining Emmaus and work full time in their Community's social enterprise with the Community receiving their Housing Benefit as a form of rent.

Funding for the acquisition and conversion of Nant Lais came from the Welsh Government: £500,000, in accord with the strategic aims underlying the Welsh Government Ten Year Homelessness Plan for Wales. Other major donors have been the Big Lottery: £425,000; Henry Smith: £100,000; Emmaus Supporters around the UK £135,000; Jane Hodge Foundation: £75,000; Bernard Sunley: £25,000; the Bridgend Charities £6,500 and many others. Funding towards the cost of the Community has come from The Waterloo Foundation and the Moondance Foundation, who have each contributed over £30,000 towards the costs of running the Community. The Lloyds Bank Foundation has also contributed £23,000 towards the cost of administration for the charity during 2015/16, with further funding anticipated in 2016/17 and 2017/18 to a total of £75,000. Oak Foundation has also contributed £43,375 for 2015/16, with further funding anticipated.

Emmaus South Wales has trial membership of Emmaus Europe and Emmaus International & affiliate membership of Emmaus UK. Emmaus South Wales' participation in Emmaus Europe and Emmaus International enhances the strength of its work alongside homeless and other socially excluded people, enabling participants to discover a sense of common purpose in helping others in need.

Who benefits from the work of an Emmaus Community?

Our social enterprise has now grown, over three years, to seven shops with a turnover in the year of over £650,000, creating employment and training opportunities for Companions, staff and, where appropriate, volunteers.

Applicants join our Community as Companions, having been homeless or otherwise vulnerably housed and unemployed. Potential Companions are able to apply directly or be referred by a third party (probation officer, outreach worker for example) with their permission. We are actively developing partnerships and referral relationships with other services, Bridgend County Borough Council, HMP Parc, Probation, local charities, housing associations, community groups and churches from which we expect to generate referrals and encourage homeless people to contact us.

Professor Whitehead of LSE, in an independent evaluation of an Emmaus Community, established that it provides substantial "public benefit" by reducing the dependency of Companions on the public purse, both by way of the renunciation of primary benefits and, more particularly, by the savings to the welfare and criminal justice system by their adoption of more stable lifestyles.

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

Even in these early years of the establishment of Emmaus South Wales, we are active in Solidarity activities in support of people in need, whilst the wider community and the environment benefit from our reuse and recycling activities. In the past year we have supported Emmaus International's solidarity activities with the proceeds of a day's takings from our shops.

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

OBJECTIVES AND ACTIVITIES

The Community Home

In the past year, the great efforts by the Director and his staff, supported actively by the Board, were rewarded by the opening in December 2015 of the 22 bed Community home to Companions after a £1.3m acquisition and refurbishment programme. The Community's accommodation will increase to 24 beds in the future, when it is deemed appropriate for the Community Manager to move out of her small flat which she retains while the Community is growing. Nant Lais, in the Newcastle ward in Bridgend, is the first Emmaus Community home established in Wales. In 2015 the building and two acres of land on which it stands, were purchased for £175,000 from Valleys to Coast Housing Association, and a further £1.1 million incurred to convert and equip the building to form a Community home for 24 Companions. Valleys to Coast have proved to be excellent partners in this venture, with the conversion project ably undertaken by Encon Construction Ltd.

Costs were higher than anticipated because the original fabric of Nant Lais was in a worse condition than originally thought. This led to a longer refurbishment and higher costs than anticipated. Extensive efforts were made by Trustees and lead staff to secure extra funding and reduce costs, which were successful. Examples are the Jane Hodge Foundation grant to raise the necessary funding, while costs were significantly reduced by the decision to use mainly second hand furniture from the social enterprise to equip the community home at Nant Lais. Prior to that, in July 2015, Audrey Barnett was recruited to manage the Community before it formed, so that she had ample opportunity to influence the refurbishment of the Emmaus South Wales Community home at Nant Lais. Audrey then engaged six 'Seed' Companions from other UK Emmaus communities, to be a nucleus around which to build a larger community. A Deputy Community Manager, Lacey Lockett, was appointed in January 2016 to assist Audrey and the 'Seed' Companions. Authorisation to accept locally referred Companions was received in Easter 2016 and the Community has grown to twelve Companions.

Investment policy and objectives

We look to invest surplus funds at the best interest rates we can achieve, over the period of time for which they are unallocated.

The Social Enterprise

In order to establish credibility and build a strong support base and financial security in South Wales, the Trustees decided their priority was to establish a social enterprise with charity shops near the M4 corridor in South Wales. This strategy has nearly been implemented with seven shops established in Caroline Street and Tremains Road, Bridgend, Porthcawl, Maesteg, Neath, Cowbridge and Aberdare. In the past year, the Superstore and six shops generated trading income of over £650,000. These shops will contribute significantly towards the running costs of the Community. Long-term, our social enterprise will create a financial foundation on which expanded and additional Communities can be built, as the need for accommodation for those made homeless is unfortunately increasing.

Our current emphasis is on improving shop performance and reducing overheads. For example, the decision was taken in 2015/16 to close our new distribution hub because it cost too much when set against the benefit to the business. The hub contained a warehouse, our office facilities, a training/meeting room, our recycling operation and e-sales, but came at a market rent which was a high price for the net benefit. So the Emmaus South Wales office moved to one of the rooms on the first floor of the Caroline Street shop, the e-sales to the Tremains Road superstore and a smaller unit rented on the Bridgend Industrial Estate for the recycling. Training and meetings take place in one of the rooms in Nant Lais and our overheads have been significantly reduced. Meanwhile, opportunities are being examined for broadening the base of our social enterprise, by offering other products and services.

Staff and Volunteers

Great credit must be paid to the management of our social enterprise, its staff and volunteers who were short-listed and received the award from Bridgend Business Forum of "Social Enterprise of the Year". Staff and volunteers, several of whom have suffered long-term unemployment with its accompanying stresses, describe their work in Emmaus as rewarding and, indeed, life-changing. This is now offering those same opportunities to our Companions to enjoy the same empowerment and sense of ownership.

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The social enterprise has achieved the multiple objectives of demonstrating that Emmaus South Wales is a serious player, saving waste through re-use and recycling, is a credible supplier to needy people of low cost furniture and household goods, creating employment and volunteering opportunities and generating funds to support an Emmaus Community serving homeless people. The Community Development Committee, of which Valleys to Coast has been an active member, planned the layout and creation of the Community building at Nant Lais, making possible the achievement of the charity's primary purpose - creating a Community where homeless people live and work, recover self-confidence, add new skills and support both themselves and others in greater need.

Emmaus South Wales' relationship with the local community

Establishing and continuing communication with local householders is a key component of successfully establishing an Emmaus Community. 'Drop-in' events have been held within the Bridgend community, as well as leaflet drops and talks delivered to various companies, bodies and community groups. Our policy is to be "good neighbours". We enjoy good working relations with the local Council, which administers Housing Benefit at a sensible rate, which is the only benefit to which a Companion is entitled.

Management accounts comparing results with budget are reviewed regularly by the Enterprise & Finance Committee and the Board. The year saw great success in fundraising, significantly reducing the eventual need to borrow. The refurbishment of Nant Lais has been covered entirely by fund raising, but, due to the lack of certainty about cash flow over the next few years, the Board decided to borrow £75,000 from WCVA at 6% over 15 years to ensure ample cash reserves. This loan is being progressively repaid.

FUTURE PLANS

Our Community Home for 24 Companions successfully opened, starting with a few experienced 'Seed' Companions, seconded from other Communities. Our priority aim was to build a "sense of Community," within which homeless people joining the Community soon felt at home, playing their role in Community life and the work of the social enterprise. As Companions, they sign off from all benefits and commence full-time volunteer work in the Community's business, collecting, delivering and selling donated goods. Companions are able to live at Nant Lais for as long as they need to, and receive support to gain extra qualifications and skills to equip them to look for work and make a success of finding and living in their own accommodation.

The charity is in the process of writing its next five year business plan, which is setting out its plans for strategic growth and increasing the benefits it delivers to its Companions. This will include a review of the social enterprise and community, investigating other income streams and exploring other business opportunities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity was constituted in 2010 as a company limited by guarantee, controlled by its governing document, the Memorandum and Articles of Association, as defined by the Companies Act 2006.

The objects of the charity are the alleviation and relief of poverty, hardship and distress arising therefrom, in conformance with the principles of the Emmaus Movement; the provision of accommodation for homeless people in South Wales, the rehabilitation of the beneficiaries and the provision of education and training, including employment training and work opportunities with the purpose of developing their skills to enable them to gain employment in the future and thereby develop a sense of self-worth and dignity through having a self-supporting life.

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Charity is directed by a Board of Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association. Trustee nominations must be approved by existing Trustees. Each new Trustee is briefed about the Community, their legal and ethical responsibilities, and an induction programme is in place. The Emmaus South Wales Board has adopted the NCVO Code of Good Governance.

All trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts. None of the trustees has any beneficial interest in the company. The Board of Trustees has again recently reviewed the skills and experience of its members, identifying any gaps requiring recruitment of Trustees to ensure the Board has the strength in depth to create and manage an effective Emmaus Community.

Organisational structure

The Board is responsible for the strategic direction and policy of the Charity, meeting bi-monthly in Bridgend. During our financial year 2015/16, we have welcomed Mark Roberts, Peter Knapp and Geoff Cheetham to the Board, who bring a wealth of experience and skills. We thank Cllr Jefferson Tildesley MBE, former Vice-Chair, Gill Tuck and Alistair Nelson, former Treasurer, for their contribution over many years. We also thank our Emmaus Gloucestershire Companion Trustees, John Dowling and David Cox, who have brought a Companion perspective to the Board. We are also grateful to Cllr David White and Mr Ian Palmer, who have also chosen to step down as Trustees, but continue to offer valuable support. Margaret Barry has recently joined in August 2016, bringing substantial HR experience to the Board.

A delegation framework is in place, with the day to day responsibility for the operations of the Charity resting with the Chief Executive to ensure the charity delivers the activities specified and that key performance indicators are met.

Trustee meetings are usually open to Emmaus supporters, who contribute from their broad experience. They also meet, as appropriate, with Trustees in Sub-Committees of the Board: Enterprise & Finance, People, Fundraising, Community Development and Health & Safety, each of which have contributed to the considerable progress made in the year.

Induction and training of new trustees

Induction and training takes the form of attendance at Board Meetings and its Committees, escorted visits to other neighbouring Emmaus Communities, attending the Emmaus UK Federation induction day, formal training in the responsibilities of a Trustee and assumption of appropriate roles in support of the Community and its social enterprise. Attendance at the Emmaus Annual Assembly and other conferences and meetings of the Emmaus Movement form an important way in which new Trustees learn the Emmaus ethos and best practice and gain essential contacts.

Wider network

Emmaus South Wales is a member of the Emmaus UK Federation which consists of 28 established Communities which offer accommodation to over 750 homeless people. There are also Groups working towards the opening of Communities. Emmaus in the UK is part of the international Emmaus Movement, made up of 330 member groups working in 37 countries around the world. The work that the members do varies, depending on the needs of the country that they work in, but all Groups share a commitment to "serve first those who suffer most", as set out in the Universal Manifesto of the Emmaus Movement. (Available for download at <http://www.emmaus-europe.org>)

As part of an International Movement, we learn from one another, share experiences and work together to support those in greatest need. Staff, companions, volunteers and trustees in the UK participate in exchanges, meetings and in solidarity sales, where money is raised for Emmaus projects in poorer countries.

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

Emmaus South Wales is assisted by the Emmaus UK Federation, and the Board greatly appreciates the support received from local organisations such as the Bridgend Association of Voluntary Organisations (BAVO) and Wales Co-operative.

Trustees identify risks to which the charity is exposed and ensure appropriate controls are in place to minimise undue risk and guard against fraud and error.

The Trustees have established a complete portfolio of policies and procedures, which are subject to regular review. This includes a comprehensive risk register, which has been comprehensively revised and will be reviewed annually. They seek to minimise the risks which the Charity, its employees, Companions, volunteers and customers might encounter. Internal control risks are minimised by the operation of stock management and cash control systems and the implementation of procedures for authorisation and control of financial transactions. The Charity is committed to effective health and safety risk management in accordance with our Health and Safety policy. Risk assessments and specific procedures are completed, reviewed, and maintained. All new activities and potential risks are risk assessed. All staff and volunteers participate in a health and safety induction, with specific training offered when desirable or necessary.

FUNDS HELD BY TRUSTEES FOR THIRD PARTIES

The charity holds funds (savings) on behalf of Companions, which are £5 per Companion from his or her weekly allowance. This builds up so enabling each Companion to have some savings when they move on from Emmaus South Wales. The savings are held solely for the benefit of the Companions. The amounts saved are recorded at the Community home at Nant Lais and are kept separate from other funds as required by FRS102 module 19.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
07188459 (England and Wales)

Registered Charity number
1136010

Registered office
6 Caroline Street
Bridgend
CF31 1DQ

Trustees

M Barry		- appointed 19.9.16
M A A Cavaghan	(Treasurer)	
G E Cheetham	(Deputy Chair)	- appointed 18.1.16
D Cox		- resigned 18.1.16
J Dowling		- resigned 19.10.15
J Fenner		
P Knapp	(Deputy Chair)	- appointed 19.10.15
C A Lowry		
M Major MBE		
A H Nelson		- resigned 21.7.15
J A Noble	(Chair)	
I L Palmer		- resigned 31.1.16
M E Roberts		- appointed 19.10.15
J H Tildesley MBE		- resigned 23.9.15
G Tuck		- resigned 25.1.16
D B F White		- resigned 15.6.16

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary

C A Lowry

Auditors

Graham Paul Limited

(Statutory Auditor)

Court House

Court Road

Bridgend

CF31 1BE

THANKS

The Trustees would like to express their thanks to all who have supported Emmaus South Wales in the past eventful year, including BAVO, Valleys to Coast Housing Association. Thanks to those Trustees, staff and volunteers, who have worked with great enthusiasm and determination to open Wales' first Emmaus Community home in Bridgend.

Valleys to Coast Housing Association and Bridgend County Borough Council have shown faith in the project, giving it their active support from its early days. It must be encouraging for them to see their faith vindicated. We greatly appreciate the generous donations from the Welsh Government, the Big Lottery, Henry Smith, Jane Hodge Foundation, The Waterloo Foundation, The Lloyds Bank Foundation, Emmaus UK supporters and Bernard Sunley who have funded the Community home. Emmaus UK have provided good guidance in setting up the Community home and support to the Board. Oak Foundation is part funding the Business & Deputy Community Managers' salaries and associated travelling costs. The Moondance Foundation has made a further £30,000 grant to fund the Community Manager for her second year, in addition to a similar grant the previous year. In addition, thanks to Caerleon Campus for donating its old furniture, much of which was used to equip Nant Lais, and to Willmott-Dixon Construction, who have done extensive work to support both the community home and the social enterprise.

And, last but not least, thanks to our generous donors of furniture, clothes, books and bric a brac and to our wonderful customers who then come and buy them!

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Emmaus South Wales for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

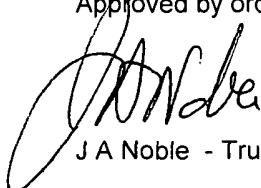
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- 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 auditors are aware of that information.

AUDITORS

The auditors, Graham Paul Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 21 November 2016 and signed on its behalf by:



J A Noble - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EMMAUS SOUTH WALES

We have audited the financial statements of Emmaus South Wales for the year ended 30 June 2016 on pages ten to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, 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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

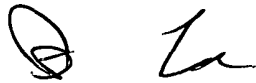
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EMMAUS SOUTH WALES**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



Andrew Lee BSc ACA (Senior Statutory Auditor)
for and on behalf of Graham Paul Limited
(Statutory Auditor)
Court House
Court Road
Bridgend
CF31 1BE

Date: 21/11/16

EMMAUS SOUTH WALES

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	34,792	-	34,792	30,727
Charitable activities	5				
Grants more than £5,000		-	840,615	840,615	637,552
Grants less than £5,000		18,626	-	18,626	15,964
Other trading activities	3	676,086	-	676,086	494,455
Investment income	4	118	-	118	97
Total		729,622	840,615	1,570,237	1,178,795
EXPENDITURE ON					
Raising funds	6	60,333	-	60,333	25,706
Charitable activities	7				
Fundraising activities		503,342	151,672	655,014	421,738
Wages & recruitment costs		147,804	-	147,804	103,081
Finance costs		8,748	-	8,748	3,850
Grants to Institutions		-	-	-	3,422
Other		14,933	-	14,933	28,177
Total		735,160	151,672	886,832	585,974
NET INCOME/(EXPENDITURE)		(5,538)	688,943	683,405	592,821
RECONCILIATION OF FUNDS					
Total funds brought forward		234,735	558,882	793,617	200,796
TOTAL FUNDS CARRIED FORWARD		229,197	1,247,825	1,477,022	793,617

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

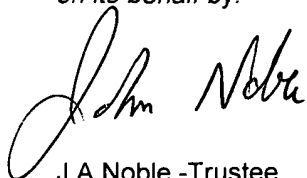
EMMAUS SOUTH WALES

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
FIXED ASSETS					
Tangible assets	14	100,394	1,227,833	1,328,227	609,933
CURRENT ASSETS					
Stocks		5,656	-	5,656	7,621
Debtors	15	40,390	43,375	83,765	142,582
Cash at bank		353,121	(23,383)	329,738	268,514
		<u>399,167</u>	<u>19,992</u>	<u>419,159</u>	<u>418,717</u>
CREDITORS					
Amounts falling due within one year	16	(140,331)	-	(140,331)	(163,915)
NET CURRENT ASSETS		<u>258,836</u>	<u>19,992</u>	<u>278,828</u>	<u>254,802</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		359,230	1,247,825	1,607,055	864,735
CREDITORS					
Amounts falling due after more than one year	17	(105,391)	-	(105,391)	(40,049)
ACCRUALS AND DEFERRED INCOME	20	(24,642)	-	(24,642)	(31,069)
NET ASSETS		<u>229,197</u>	<u>1,247,825</u>	<u>1,477,022</u>	<u>793,617</u>
FUNDS	21				
Unrestricted funds				229,197	234,735
Restricted funds				1,247,825	558,882
TOTAL FUNDS				<u>1,477,022</u>	<u>793,617</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 21 November 2016 and were signed on its behalf by:



J A Noble -Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery etc	- 25% on reducing balance and 20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Donated items are not considered to be the property of the Charity, therefore are not included in the stock value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Statement of Financial Position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	2016	2015
	£	£
Donations (Inc. Gift Aid)	<u>34,792</u>	<u>30,727</u>

3. OTHER TRADING ACTIVITIES

	2016	2015
	£	£
Shop income - donated goods	590,895	465,832
Shop income - purchased goods	56,805	25,407
Housing Benefit	19,617	-
Sponsorships	-	3,216
Recycling income	8,769	-
	<u>676,086</u>	<u>494,455</u>

4. INVESTMENT INCOME

	2016	2015
	£	£
Interest received	<u>118</u>	<u>97</u>

EMMAUS SOUTH WALES

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2016**

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2016 £	2015 £
Grants	Grants more than £5,000	840,615	637,552
Grants	Grants less than £5,000	18,626	15,964
		<u>859,241</u>	<u>653,516</u>

Grants received, included in the above, are as follows:

	2016 £	2015 £
Grants less than £5,000	18,626	15,964
Lloyds TSB	23,000	7,000
OAK Foundation	43,375	48,772
SEWCED Grant Caroline Street	-	21,591
SEWCED Grant Van Salaries	-	12,840
BIG Lottery	238,440	186,560
Welsh Government	300,000	200,000
Bernard Sunley	-	25,000
Emmaus UK Appeal Monies	-	135,789
Henry Smith Foundation	100,000	-
Moondance	30,800	-
Waterloo Foundation	30,000	-
Jane Hodge	75,000	-
	<u>859,241</u>	<u>653,516</u>

6. RAISING FUNDS

Raising donations and legacies

	2016 £	2015 £
Support costs	21,262	9,383
	<u>21,262</u>	<u>9,383</u>

Other trading activities

	2016 £	2015 £
Purchases	39,071	16,323
	<u>39,071</u>	<u>16,323</u>
Aggregate amounts	<u>60,333</u>	<u>25,706</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2016

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 9)	Totals
	£	£	£
Fundraising activities	651,631	3,383	655,014
Wages & recruitment costs	-	147,804	147,804
Finance costs	-	8,748	8,748
	<u>651,631</u>	<u>159,935</u>	<u>811,566</u>

8. GRANTS PAYABLE

	2016 £	2015 £
Grants to Institutions	<u>-</u>	<u>3,422</u>

The total grants paid to institutions during the year was as follows:

	2016 £	2015 £
Institutional grants	<u>-</u>	<u>3,422</u>

9. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Costs of generating voluntary income	21,262	-	-	21,262
Other resources expended	-	-	14,933	14,933
Fundraising activities	3,383	-	-	3,383
Wages & recruitment costs	147,804	-	-	147,804
Finance costs	-	8,748	-	8,748
	<u>172,449</u>	<u>8,748</u>	<u>14,933</u>	<u>196,130</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration	4,992	4,000
Depreciation - owned assets	62,244	33,171
Depreciation - assets on hire purchase contracts and finance leases	2,237	2,982
Other operating leases	164,399	116,917
Deficit on disposal of fixed asset	8,422	2,283
Auditor's Remuneration - non-audit work	<u>1,250</u>	<u>1,200</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2016

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2016 nor for the year ended 30 June 2015.

Trustees' expenses

	2016	2015
	£	£
Trustees' expenses	3,838	4,511

12. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	401,617	282,638
Other pension costs	7,156	-
	<u>408,773</u>	<u>282,638</u>

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

	2016	2015
Administration	3	2
Fundraising	21	20
	<u>24</u>	<u>22</u>

No employees received emoluments in excess of £60,000.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	30,727	-	30,727
Charitable activities			
Grants more than £5,000	-	637,552	637,552
Grants less than £5,000	4,470	11,494	15,964
Other trading activities	494,455	-	494,455
Investment income	97	-	97
Total	<u>529,749</u>	<u>649,046</u>	<u>1,178,795</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2016

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued			
	Unrestricted funds £	Restricted funds £	Total funds £
EXPENDITURE ON			
Raising funds	25,706	-	25,706
Charitable activities			
Fundraising activities	405,865	15,873	421,738
Wages & recruitment costs	38,971	64,110	103,081
Finance costs	3,850	-	3,850
Grants to Institutions	3,422	-	3,422
Other	28,177	-	28,177
Total	505,991	79,983	585,974
NET INCOME/(EXPENDITURE)	23,758	569,063	592,821
Transfers between funds	18,558	(18,558)	-
Net movement in funds	42,316	550,505	592,821
RECONCILIATION OF FUNDS			
Total funds brought forward	192,419	8,377	200,796
TOTAL FUNDS CARRIED FORWARD	234,735	558,882	793,617

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2016

14. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 July 2015	473,482	194,777	668,259
Additions	781,275	1,500	782,775
At 30 June 2016	<u>1,254,757</u>	<u>196,277</u>	<u>1,451,034</u>
DEPRECIATION			
At 1 July 2015	-	58,326	58,326
Charge for year	26,924	37,557	64,481
At 30 June 2016	<u>26,924</u>	<u>95,883</u>	<u>122,807</u>
NET BOOK VALUE			
At 30 June 2016	<u>1,227,833</u>	<u>100,394</u>	<u>1,328,227</u>
At 30 June 2015	<u>473,482</u>	<u>136,451</u>	<u>609,933</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery etc £
COST	
At 1 July 2015	<u>17,755</u>
DEPRECIATION	
At 1 July 2015	8,808
Charge for year	<u>2,237</u>
At 30 June 2016	<u>11,045</u>
NET BOOK VALUE	
At 30 June 2016	<u>6,710</u>
At 30 June 2015	<u>8,947</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2016

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	1,408	781
Other debtors	82,357	141,801
	<u>83,765</u>	<u>142,582</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Hire purchase (see note 19)	3,353	3,021
Trade creditors	8,757	37,644
Taxation and social security	8,326	11,297
Other creditors	119,895	111,953
	<u>140,331</u>	<u>163,915</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Hire purchase (see note 19)	2,437	5,791
Other creditors	102,954	34,258
	<u>105,391</u>	<u>40,049</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2016

18. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year on demand:		
WCVA Loan	<u>3,266</u>	<u>-</u>
Amounts falling between one and two years:		
WCVA Loan	<u>3,469</u>	<u>-</u>
Amounts falling due between two and five years:		
Emmaus UK Loan	33,048	34,258
WCVA Loan	<u>13,876</u>	<u>-</u>
	<u>46,924</u>	<u>34,258</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
WCVA Loan	<u>52,561</u>	<u>-</u>

19. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2016 £	2015 £
Net obligations repayable:		
Within one year	3,353	3,021
Between one and five years	<u>2,437</u>	<u>5,791</u>
	<u>5,790</u>	<u>8,812</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2016 £	2015 £
Expiring:		
Within one year	25,000	40,000
Between one and five years	22,500	60,200
In more than five years	<u>100,000</u>	<u>67,500</u>
	<u>147,500</u>	<u>167,700</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2016

20. ACCRUALS AND DEFERRED INCOME

	2016 £	2015 £
Accruals and deferred income	<u>24,642</u>	<u>31,069</u>

21. MOVEMENT IN FUNDS

	At 1.7.15 £	Net movement in funds £	Transfers between funds £	At 30.6.16 £
Unrestricted funds				
General fund	234,735	(5,538)	(100,000)	129,197
Capital Development Fund	-	-	100,000	100,000
	<u>234,735</u>	<u>(5,538)</u>	<u>-</u>	<u>229,197</u>
Restricted funds				
Nant Lais	558,882	686,516	-	1,245,398
Moondance	-	2,427	-	2,427
	<u>558,882</u>	<u>688,943</u>	<u>-</u>	<u>1,247,825</u>
TOTAL FUNDS	<u>793,617</u>	<u>683,405</u>	<u>-</u>	<u>1,477,022</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	729,622	(735,160)	(5,538)
Restricted funds			
Oak Foundation	43,375	(43,375)	-
Lloyds TSB	23,000	(23,000)	-
Nant Lais	713,440	(26,924)	686,516
Moondance	30,800	(28,373)	2,427
Waterloo Foundation	30,000	(30,000)	-
	<u>840,615</u>	<u>(151,672)</u>	<u>688,943</u>
TOTAL FUNDS	<u>1,570,237</u>	<u>(886,832)</u>	<u>683,405</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2016

21. MOVEMENT IN FUNDS - continued

Restricted funds:-

<u>Funder</u>	<u>Purpose</u>	<u>In Year (£)</u>	<u>Total to date (£)</u>	<u>Maximum Value (£)</u>
Lloyds TSB	Finance & Administrator's wages	23,000	23,000	75,000
Oak Foundation	Business manager wages & associated costs	43,375	92,147	148,700
Nant Lais	Development of Community Home			
	Welsh Assembly	300,000	500,000	500,000
	The Big Lottery	238,440	425,000	425,000
	Emmaus Appeal	-	136,344	136,344
	Other Nant Lais donors	43,020	178,404	178,404

The Big Lottery and Welsh Assembly grants are subject to a charge on the land and buildings that the property will be used for the purposes of providing homes for Companions and cannot be sold without the consent of the donors.

The Capital Development Fund is a designated fund set aside for future capital spend which can include spend for the sustainability of the existing property portfolio in its current state.

22. CONTINGENT LIABILITIES

The grants received from Emmaus UK in previous years, amounting to £46,250, are repayable in full if Emmaus South Wales ceases to be a member of the Emmaus federation in the United Kingdom.

23. RELATED PARTY DISCLOSURES

The charity made sales to and purchases from Emmaus UK of £1,101 and £2,519 respectively during the year.

At the year end the charity owed £43,250 (2015: £43,250) in respect of a loan. This loan shows in the balance sheet as £33,048 representing the total loan less deemed interest to be charged to the Statement of Financial Activities in future periods.

24. FIRST YEAR ADOPTION

Transitional relief

None of the transitional reliefs available on transition to FRS102 were relevant to the charity, therefore none have been taken advantage of.

EMMAUS SOUTH WALES

**RECONCILIATION OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		30,727	-	30,727
Charitable activities		653,516	-	653,516
Other trading activities		494,455	-	494,455
Investment income		97	-	97
Total		1,178,795	-	1,178,795
EXPENDITURE ON				
Raising funds		25,706	-	25,706
Charitable activities		514,098	17,993	532,091
Governance costs		26,238	(26,238)	-
Other		-	28,177	28,177
Total		566,042	19,932	585,974
NET INCOME/(EXPENDITURE)		612,753	(19,932)	592,821

EMMAUS SOUTH WALES

**RECONCILIATION OF FUNDS
AT 1 JULY 2014
(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		107,137	-	107,137
		<u>107,137</u>	<u>-</u>	<u>107,137</u>
 CURRENT ASSETS				
Stocks		2,078	-	2,078
Debtors		39,657	-	39,657
Cash at bank		180,688	-	180,688
		<u>222,423</u>	<u>-</u>	<u>222,423</u>
 CREDITORS				
Amounts falling due within one year		(34,686)	(3,000)	(37,686)
		<u>187,737</u>	<u>(3,000)</u>	<u>184,737</u>
NET CURRENT ASSETS				
		<u>187,737</u>	<u>(3,000)</u>	<u>184,737</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		<u>294,874</u>	<u>(3,000)</u>	<u>291,874</u>
 CREDITORS				
Amounts falling due after more than one year		(52,059)	10,931	(41,128)
ACCRUALS AND DEFERRED INCOME		(49,950)	-	(49,950)
		<u>192,865</u>	<u>7,931</u>	<u>200,796</u>
 FUNDS				
Unrestricted funds		184,488	7,931	192,419
Restricted funds		8,377	-	8,377
TOTAL FUNDS		<u>192,865</u>	<u>7,931</u>	<u>200,796</u>

EMMAUS SOUTH WALES

**RECONCILIATION OF FUNDS
AT 30 JUNE 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		609,933	-	609,933
CURRENT ASSETS				
Stocks		7,621	-	7,621
Debtors		142,582	-	142,582
Cash at bank		268,514	-	268,514
		<u>418,717</u>	<u>-</u>	<u>418,717</u>
CREDITORS				
Amounts falling due within one year		(142,922)	(20,993)	(163,915)
NET CURRENT ASSETS		<u>275,795</u>	<u>(20,993)</u>	<u>254,802</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		885,728	(20,993)	864,735
CREDITORS				
Amounts falling due after more than one year		(49,041)	8,992	(40,049)
ACCRUALS AND DEFERRED INCOME		(31,069)	-	(31,069)
NET ASSETS		<u>805,618</u>	<u>(12,001)</u>	<u>793,617</u>
FUNDS				
Unrestricted funds		246,736	(12,001)	234,735
Restricted funds		558,882	-	558,882
TOTAL FUNDS		<u>805,618</u>	<u>(12,001)</u>	<u>793,617</u>