

Registered number: 3422357  
Charity number: 1064472

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**EMMAUS GREENWICH**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2006**

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**EMMAUS GREENWICH**  
**(A company limited by guarantee)**

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**EMMAUS GREENWICH**  
(Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 30 JUNE 2006**

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**Trustees**

J Barrass  
B Fussey  
P Chambers  
P Gale  
N Georgis  
P Gingold  
R Gomez  
V Morse  
K Parrott  
G Stevenson  
T Sumption

**Company registered number**

3422357

**Charity registered number**

1064472

**Registered Office and Principal Operating Office**

226 Elmley Street  
Plumstead  
London  
SE18 7NN

**Company secretary**

B Fussey

**Auditors**

Lakin Rose Limited  
Chartered Accountants  
Registered Auditors  
Pioneer House  
Vision Park  
Histon  
Cambridge  
CB24 9NL

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**EMMAUS GREENWICH**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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***Advisers (continued)***

**Bankers**

HSBC Bank plc  
15 Wellington Street  
Woolwich  
London  
SE18 6PH

CAF Bank Limited  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

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**EMMAUS GREENWICH**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements of Emmaus Greenwich (the charity) for the year ended 30 June 2006. The trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**Structure, governance and management**

**a. Constitution**

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 20 August 1997.

**b. Method of appointment or election of Trustees**

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The current trustees are shown on page 1. The changes in trustees during the year and since are as follows:

L Babb - appointed 18 January 2006; resigned 13 June 2006  
P Chambers - appointed 16 November 2006  
P Clipsham - resigned 5 July 2005  
P Gale - appointed 24 May 2006  
N Georgis - appointed 18 January 2006  
R Gomez - appointed 18 January 2006

**c. Policies adopted for the induction and training of Trustees**

New trustees are given an information pack about the charity and an existing trustee meets with them individually to bring them up to speed with matters concerning the charity. Where appropriate, the charity will find suitable training courses for trustees to attend.

One of the key issues for new trustees is gaining an understanding of how Emmaus communities work. They are therefore encouraged to visit other communities and meet with other members of the Emmaus movement.

**d. Organisational structure and decision making**

The board of trustees, which meets once every two months, govern Emmaus Greenwich. Following prior recommendation and interview by the Chair of trustees and another trustee, the trustee board appoints new trustees as required.

Each working day, the Community Leader runs Community meetings to discuss and agree the day's management with Companions. The management of the Community is provided by the Community Leader and his Deputies.

In June 2006, the Board of Trustees appointed a General Manager to oversee the overall vision of the Community thus freeing the Community Leader and deputy to focus more on managing the operations of the Community, including providing support to Companions. Most decisions are taken by this team which meets frequently, referring matters to trustee management committee or on matters of policy to the board of trustees. The General Manager and Community Staff attend and report to trustee meetings.

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**EMMAUS GREENWICH**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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**e. Risk management**

Risks entailed in the management and governance of the Community are constantly under review by the board of trustees. Policies are complied with on a daily basis, and one trustee with responsibility for Risk Assessment carries out a monthly check.

We carry out regular reviews of our Health and Safety policy. Every week we carry out a fire alarm test and periodically there is a fire drill. CRB checks have been completed for all staff. Financial controls in are place which are monitored according to Charity Commission guidelines.

**Objectives and Activities**

**a. Policies and objectives**

The principal object of the charity is to provide homeless and unemployed people with a home, meaningful work, companionship and a chance to regain self-respect. Each Emmaus Community combines residential accommodation with a business based on the collection and sale of donated goods, as well as refurbishment and recycling. Members, known as Companions, have the opportunity, regardless of ability or skills, to help themselves through work, and thereby rediscover their self-worth and take steps towards their own personal development and re-integration into society at large.

There have been no changes in the objectives since the last report.

**b. Strategies for achieving objectives**

Mainly, this will be through the continuing development of Emmaus Greenwich as an effective social enterprise, where our trading activities move us closer to becoming financially self-supporting. We expect that this will facilitate our ability to consistently:

- provide quality programmes to support homelessness;
- improve significantly on the quality of life and service we provide to Companions;
- support other projects in greater need (i.e. solidarity);
- widen our role as a valuable resource in the local Community

In addition, we will continue to utilise the funding available to Emmaus Greenwich via governmental agencies and supportive organisations.

**c. Activities for achieving objectives**

The values of Emmaus Greenwich are founded upon those of the Emmaus International manifesto which all Emmaus Communities accept when they join the Emmaus movement.

Emmaus Greenwich was officially opened in 1994 by HRH The Prince of Wales and Abbe Pierre, a remarkable priest and former member of the French parliament who began the movement in France just after the Second World War. Emmaus provides a solution to the cycle of homelessness by addressing the complex needs of homeless people in a holistic way. Through the service, homeless people are able to regain self-esteem and dignity - the necessary ingredients required for their recovery and development.

Emmaus Greenwich, as with other Emmaus Communities, are open to anyone who is homeless and destitute. There are a few conditions: every Companion signs off income support or job seekers allowance and agrees to work to the best of their ability. Drink and drugs are not allowed. Each Companion receives food, clothing, shelter and spending money, at present £32 per week plus a further £8, which is saved for when they leave.

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**EMMAUS GREENWICH**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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We offer a wide variety of voluntary work opportunities and work experience, which enables the Companions to learn skills required for various professions (e.g. catering, woodworking, electrical, retail, transport and warehousing, etc.)

The following below is a profile of the programs and features offered to the Companions we take in:

- Non judgmental and welcoming to all provided that the risk to Community is manageable
- Establishment of identity through assistance with application and payment for birth certificates and passports
- *Community life and companionship*
- No restrictions on length of stay
- On the job training
- Access to a qualified Counsellor
- Access to health care
- *Citizenship through concern for others and working with the local community*
- Integrating into local homeless provision
- A road back from welfare to self-respect by being self-supporting
- A pathway back into the world of work and job skills

Emmaus Greenwich also provides benefits to others beyond the Companions that are its primary charge. The Greenwich community at large are a benefactor of our operations via the following:

As a source of affordable goods, the work we do of collecting and re-using people's unwanted furniture and domestic goods, as a community business, helps to balance out the social equation. We collect largely from the more affluent in society, to whom we offer a service by collecting unwanted and surplus possessions, as well as a means to enable those people to feel more engaged in supporting those less well off. We deliberately price our goods below the market to make what we sell more available to people on low income. In addition we work in partnership with Social Service and Mental Health agencies and will, in cases of special need, provide items of furniture free of charge.

As a local community resource, we are very active in building networks with other local organisations and training providers. We are continually exploring ways in which the resources of the Community might be shared in creative ways for the future, and for the benefit of other organisations in the wider community.

As net contributors to local recycling targets, we help to reduce the amount of junk that end up in landfill sites. This is because so much furniture and other domestic goods which would otherwise be destined for the tip are collected and reused through Emmaus Greenwich, and thereby given a new and useful life.

### **Achievements and performance**

#### **a. Review of activities**

##### **Management structure**

In last year's review we reported on our plans to re-organise our management structure. Mongi Khanyile, who from his arrival from South Africa in November 2001 had provided an excellent and dedicated service to Emmaus Greenwich, first as Deputy, then as Community Leader, felt it was time to do something different and moved on. He left us in the summer of 2006, having welcomed in to the Community a new General Manager, a new Community Leader and a new Deputy Community Leader. Any major change in an organisation such as ours is potentially destabilising, and it is a tribute to Mongi's generosity and patience, linked to the enthusiasm of our new staff, that the time of transition went as smoothly as it did. Before his departure, Companions and Trustees paid tribute to Mongi's great contribution to making Emmaus Greenwich the successful enterprise that it is.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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Dayo Oyinlola accepted the post of General Manager and began working with us on 5th June 2006. A graduate of the London Business School, a business and strategy consultant with a number of blue-chip companies, and experience of charitable organisations, Dayo has been working primarily on our plans for the future and the operational activities to bring these to life. One of Dayo's first tasks was to assist Trustees in the selection of the new Community Leader and Deputy. These residential positions were filled by Giorgio Salmistraro and Anna McKay respectively. Giorgio had previously been Community Leader at Emmaus Gloucester for nearly four years, and is in his third year of study at the Psychosynthesis Education Trust. Anna joined us in June 2006 having gained valuable experience as a Manager with Waitrose Ltd for four years after leaving Cambridge University. She has also worked as a volunteer with disadvantaged people and with environmental projects in this country and overseas. Thanks are due to Carolyn Siddall, Training Officer at Emmaus UK, who has assisted with staff induction and training programmes, and has visited the Community on several occasions. We were grateful to Tim Page and Sarah Stones for attending many of the interviews that took place during the selection process.

We also extend our thanks to Mike Thompson who initially came to us via an Emmaus UK Trustee recruitment initiative, for being our volunteer Interim Finance Manager during the changeover period. This ensured a smooth handover of all financial matters to the new General Manager. Margaret Ball joined us as part-time administration assistant in December 2005. Under Mike Thompson's guidance she has learned to use the new book-keeping system, and now has full responsibility for this area of our financial administration.

### **Community**

During the year, the Community, with 15 bed-unit capacity, benefited 50 homeless people. On average 10% of the Companions stayed in the Community for under a month, 44% range from one to 3 months, 36% from 3 to 9 months, 4% between 9 and 12 months and another 4% for over two years. Many were helped into resettlement ranging from moving on into independent accommodation and with jobs in some cases, going back to live with family and friends and in a few cases to other Emmaus Communities.

Freshfields once again offered two weeks of work experience at their office in Fleet Street. All three of our Companions who attended the interview process were accepted, and greatly benefited from the scheme. One of them has subsequently left Emmaus and has his own accommodation, plus full time work. The experience with Freshfields has proved very successful and we hope to repeat this in future years.

Some Companions have been attending courses in their own time, and we continue to provide courses in Food Hygiene, First Aid, and PAT testing, for Companions and Staff.

Several Companions enjoyed learning woodworking skills under the guidance of a Workshop Manager, a post that was part-funded for one year by South East London Foundation, and came to an end in June 2006. We were able to provide the balance from our own resources, but have not had the funds to continue.

We have also continued to fund the weekly counselling service. On average five or six Companions see the counsellor weekly, and regular reviews confirm that this service is extremely useful. The counsellor is qualified in various disciplines, and has experience of working with drug and alcohol abusers, as well as with mental health issues.

Anna McKay has taken over responsibility for Companion Support Plans: these have been refined, and all Companions have a one-to-one session every four to six weeks. One of the Trustees attends weekly to assist in this process.

### **Financial activity**

The Emmaus Greenwich retail outlet has continued to perform well over the course of the year, with a steady supply of donated furniture and other goods. Sales increased by 20% on the previous year despite the



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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challenge of not having enough experienced Companions drivers to operate our delivery and collection vans. The shortage meant that we frequently had to use hire drivers, an expensive alternative.

Overall, contributions from donors and volunteers, the receipt of Housing benefit and Supporting People grant, and the income generated from trading activities ensured that the Community was able to cover its expenses.

We would like to record our thanks to all Companions, Staff and Volunteers for their contribution to the stability of the Community and another successful year's trading. Thanks are also due to Genevieve Jordan, a student from Notre Dame University for three months volunteer work in the Community. We hope to repeat this positive experience in the future with other Notre Dame students, through continued liaison with Professor Cornelius O'Boyle.

We also extend our thanks to:

All Saints' Church, Blackheath, Old Royal Naval College Chapel, Greenwich Charities, St Alfege Church, Greenwich, The Slade Church, Plumstead, "Homeless Help" group of St. John Vianney Church, Bexley. StreetSmart, whose donation of £5,000 enabled us to buy a people-carrier, and Marks and Spencer for continued weekly donations of food. South East London Foundation, Greenwich Council, and the Oak Foundation. Emmaus UK, who have part-funded the General Manager's post for one year.

Brian O'Sullivan, who as Mayor of Greenwich, raised over £10,000 for improvements to the Community. The cheque was presented at our pre-Christmas bazaar. The Mercers' Company, who very generously are part-funding the General Manager's post for three years.

Lisette Howlett – HR consultant, for advice on employment matters, Miss Elizabeth Slade QC, and Jonathan Sumption QC for legal advice (all given pro bono).

Simon Menneer, financial consultant, for his assistance in interviewing for a General Manager.

#### **b. Factors relevant to achieve objectives**

##### **The growth and stability of the Community**

Growth in Companion capacity will be one of our primary objectives in the coming year. Being the only operational Community in London at present, the demand for the Emmaus Greenwich service far outweighs its ability to deliver both in the context of dealing with homelessness and in trading and recycling. At present, we are turning away potential Companions from the door every week for lack of space, given that the Community has purpose-built capacity for only 15 Companions.

Whilst our primary objective is to support as many Companions as possible, we also realise that an increased number of Companions is very desirable in that it affords the Community the flexibility required to maintain all the daily business and household activities and allow time for individual training and development.

##### **A stronger management team**

With an enlarged Community comes the need for additional staffing and as described earlier in this report this core staff team is strengthening. Also, their effect is immediately noticeable in the overall stability and financial income of Community. Our plans to appoint a Duty Assistant will go a long way in reducing the long hours currently worked by existing Community staff, who in addition to the day to day running of the Community provide off duty and overnight cover.

##### **Continuing relationship with supporters and friends**

No doubt, our work would not be possible without the support of individuals and organisations such as those mentioned in this report. We will endeavour to keep them updated on our imminent successes and ensure that we continually involve them in a way that is rewarding for them as it is for us.

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**EMMAUS GREENWICH**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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**Business growth to finance expansion**

Whilst we are already experiencing significant growth in sales there is still great potential for more growth. We are looking to expand the trading capacity of the enterprise via the opening of a satellite shop in the coming year to give us more exposure and capacity to handle more goods. Our target customers are predominantly the disadvantaged and low income sectors of the local community and they know us to be the first port of call for bargains when it comes to reuse items. We aim to build on this strength and reinforce our role as a valuable resource.

**Development of Staff & Companions**

Giorgio, our new Community Leader, is in the final year of his training course in counselling, and Anna, his deputy, is scheduled to attend various courses that would be of use to her in performing her role. One of such courses is 'working successfully with addictions' which very often a number of our Companions struggle to break through from. Overall, we would like to increase our efforts in training and developing Companions and Volunteers in personal and social skills, life skills and vocational training.

**Financial review**

**a. Reserves policy**

The majority of the charity's funds are invested in the Community's operations, including the premises, vehicles and equipment. Emmaus Greenwich's policy is to strive to break-even on a year by year basis, after providing for the maintenance of the charity's property to a good standard.

The trustees endeavour to hold contingency reserves representing approximately three month's operating expenditure and the annual insurance premium (approximately £50,000).

However, the former children's home in which the Community is based since opening in 1994 is an old building that requires high maintenance. This issue has become more pronounced in the last year and the Community will need to be more prudent with regard to this policy. For example, experts have advised us that the Community's heating system is on its last legs and could cost up to a whopping £80,000 to replace. Also, our plans to increase capacity will result in more expenditure.

Consequently, the trustees have resolved to put a further £10,000 into the Community's Reserve.

The trustees have set up a Development Fund of £40,000 for expansion and improvement of the charity's accommodation and business premises.

**b. Principal funding**

Funding our operations each year requires that we mine income from a variety of sources, but primarily via statutory support, grants and donations from supporters, and self generated income via our recycling and trading activities.

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**EMMAUS GREENWICH**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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**Plans for the future**

**a. Future developments**

There continues to be a high demand for the services of Emmaus Greenwich, and we are now in a position to revisit our earlier plans to increase the size of the community. The income from the enterprise is critical to the financial stability of the Community and its future development, hence our focus on growing this capacity significantly in the coming years. 28% of our running costs were met by our trading and recycling income, leaving the Community too dependent on other sources. Also, it is the income generation activity, involving all the Companions, which gives Emmaus Communities their essential ethos of independence and self sufficiency.

As mentioned earlier, our strategy for tackling this challenge involves the continuing development of Emmaus Greenwich as an effective social enterprise. We are working to expand the trading capacity of the enterprise, and to allow for internal structural improvements to be made to support even more Companions. Additionally, we would be looking to improve training and work experience opportunities for Companions and also provide more training for staff, for example in areas such as mental health and drug and alcohol addiction.

The payback for this approach is that Emmaus Greenwich can increase its role as a valuable resource in the community (i.e. in tackling recycling & homelessness) and move further up in its quest to become financially self-sustaining. It facilitates our mission to continually provide quality programmes to support homelessness and other projects in greater need.

**Trustees' responsibilities**

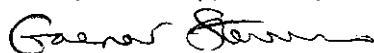
The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice applicable to smaller charities.

Company and charity law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements the trustees have:

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that are reasonable and prudent
- prepared 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

This report was approved by the trustees on 22/2/07 and signed on its behalf, by:



G Stevenson

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**EMMAUS GREENWICH**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMMAUS GREENWICH**

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We have audited the financial statements of Emmaus Greenwich for the year ended 30 June 2006 set out on pages 12 to 21. These financial statements have been prepared in accordance with the accounting policies set out therein, the Statement of Recommended Practice: 'Accounting by Charities' and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As described in the Statement of Trustees' Responsibilities the charity's trustees (who also act as company directors of Emmaus Greenwich) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

We read the Trustees' Report and consider the implications for our report if become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

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

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

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**EMMAUS GREENWICH**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMMAUS GREENWICH**

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**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller charities, of the state of the charity's affairs as at 30 June 2006 and of its incoming resources and application of resources in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements

*Lakin Rose Limited.*

**Lakin Rose Limited**

Chartered Accountants  
Registered Auditors

Pioneer House  
Vision Park  
Histon  
Cambridge  
CB24 9NL

Date: *26 February 2007*

**EMMAUS GREENWICH**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	2	23,249	32,636	55,885	27,633
Trading income		-	72,641	72,641	62,579
Interest receivable		-	4,986	4,986	3,539
Incoming resources from charitable activities:					
Accommodation receipts		-	126,732	126,732	116,500
<b>TOTAL INCOMING RESOURCES</b>		<b>23,249</b>	<b>236,995</b>	<b>260,244</b>	<b>210,251</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Trading expenses		7,595	47,091	54,686	33,644
Charitable activities	4	15,654	178,513	194,167	165,953
Governance costs	3	-	4,046	4,046	1,692
<b>TOTAL RESOURCES EXPENDED</b>	<b>7</b>	<b>23,249</b>	<b>229,650</b>	<b>252,899</b>	<b>201,289</b>
<b>MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME FOR THE YEAR</b>		<b>-</b>	<b>7,345</b>	<b>7,345</b>	<b>8,962</b>
<i>Total funds at 1 July 2005</i>		<i>-</i>	<i>247,124</i>	<i>247,124</i>	<i>238,162</i>
<b>TOTAL FUNDS AT 30 JUNE 2006</b>		<b>£ -</b>	<b>£ 254,469</b>	<b>£ 254,469</b>	<b>£ 247,124</b>

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

The notes on pages 14 to 21 form part of these financial statements.

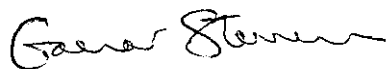
**EMMAUS GREENWICH**  
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**BALANCE SHEET**  
**AS AT 30 JUNE 2006**

	Note	£	2006 £	£	2005 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		146,811		158,344
<b>CURRENT ASSETS</b>					
Debtors	11	24,574		26,970	
Cash at bank and in hand		133,885		109,781	
		<u>158,459</u>		<u>136,751</u>	
<b>CREDITORS:</b> amounts falling due within one year	12	(50,801)		(47,971)	
<b>NET CURRENT ASSETS</b>			107,658		88,780
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>£ 254,469</u>		<u>£ 247,124</u>
<b>CHARITY FUNDS</b>					
Unrestricted funds	13		254,469		247,124
			<u>£ 254,469</u>		<u>£ 247,124</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the trustees on 22/2/07 and signed on their behalf, by:



G Stevenson

The notes on pages 14 to 21 form part of these financial statements.

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**EMMAUS GREENWICH**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 1985.

**1.2 Company status**

The charity is a company limited by guarantee. The members of the charity are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**1.3 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

**1.4 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

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

Accommodation receipts are recognised in the period for which they are receivable.

Grants and other income received for expenditure in future periods are deferred, as shown in note 12.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**1. ACCOUNTING POLICIES (continued)**

**1.5 Resources expended**

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

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

**1.6 Cash flow**

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

**1.7 Tangible fixed assets and depreciation**

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

Leasehold property	-	2-10% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	20-30% straight line

**2. DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES**

	<b>Restricted Funds 2006 £</b>	<b>Unrestricted Funds 2006 £</b>	<b>Total Funds 2006 £</b>	<b>Total Funds 2005 £</b>
Donations and gifts	-	32,636	32,636	8,437
Grants receivable	23,249	-	23,249	19,196
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Donations, legacies and similar incoming resources</i>	<b>£ 23,249</b>	<b>£ 32,636</b>	<b>£ 55,885</b>	<b>£ 27,633</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**EMMAUS GREENWICH**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**3. GOVERNANCE COSTS**

	<b>Restricted Funds 2006 £</b>	<b>Unrestricted Funds 2006 £</b>	<b>Total Funds 2006 £</b>	<b>Total Funds 2005 £</b>
Accountancy fees	-	2,118	2,118	1,469
Audit fees	-	750	750	-
Legal and professional fees	-	1,178	1,178	223
	<u>£ -</u>	<u>£ 4,046</u>	<u>£ 4,046</u>	<u>£ 1,692</u>

**4. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	<b>Activities undertaken directly 2006 £</b>	<b>Support costs 2006 £</b>	<b>Total 2006 £</b>	<b>Total 2005 £</b>
Companion welfare and amenities	<u>£ 130,841</u>	<u>£ 63,326</u>	<u>£ 194,167</u>	<u>£ 165,953</u>

**5. DIRECT COSTS**

	<b>Companion welfare and amenities £</b>	<b>Total 2006 £</b>	<b>Total 2005 £</b>
Weekly allowances	30,671	30,671	24,572
Food and sundries	16,186	16,186	13,511
Miscellaneous	6,303	6,303	6,098
Counselling	3,829	3,829	4,870
Light and heat	13,397	13,397	11,411
Rent, rates and water	3,536	3,536	4,841
Repairs and low cost assets	17,279	17,279	16,562
Insurance	11,893	11,893	10,876
Wages and salaries	16,795	16,795	19,995
National insurance	1,245	1,245	1,475
Depreciation	9,707	9,707	9,410
	<u>£ 130,841</u>	<u>£ 130,841</u>	<u>£ 123,621</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. SUPPORT COSTS**

	Companion welfare and amenities £	Total 2006 £	Total 2005 £
Vehicle costs	1,512	1,512	1,211
Telephone and mobile phones	6,389	6,389	4,770
Postage and stationery	5,330	5,330	4,021
Training and recruitment	3,064	3,064	3,486
Miscellaneous expenses	6,215	6,215	2,809
Wages and salaries	36,846	36,846	22,661
National insurance	2,832	2,832	2,238
Depreciation	1,138	1,138	1,138
	<u>£ 63,326</u>	<u>£ 63,326</u>	<u>£ 42,334</u>

**7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2006 £	Depreciation 2006 £	Other costs 2006 £	Total 2006 £	Total 2005 £
Trading expenses	17,216	3,333	34,137	54,686	33,644
Companion welfare and amenities	57,718	10,845	125,604	194,167	165,953
Governance	-	-	4,046	4,046	1,692
Subtotal charitable expenditure	<u>57,718</u>	<u>10,845</u>	<u>129,650</u>	<u>198,213</u>	<u>167,645</u>
	<u>£ 74,934</u>	<u>£ 14,178</u>	<u>£ 163,787</u>	<u>£ 252,899</u>	<u>£ 201,289</u>

**8. NET INCOME**

This is stated after charging:

	2006 £	2005 £
Depreciation of tangible fixed assets:		
- owned by the charity	14,177	14,886
Auditors' remuneration	750	-
	<u>14,927</u>	<u>14,886</u>

During the year, no trustees received any remuneration, benefits in kind or reimbursement of expenses (2005 - £nil).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. STAFF COSTS**

Staff costs were as follows:

	2006 £	2005 £
Wages and salaries	69,415	43,947
Social security costs	5,519	3,827
	<u>£ 74,934</u>	<u>£ 47,774</u>

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

	No.	No.
Charitable activities	<u>4</u>	<u>4</u>

No employee received remuneration amounting to more than £60,000 in either year.

**10. TANGIBLE FIXED ASSETS**

	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Total £
<b>Cost</b>				
At 1 July 2005	194,049	29,122	35,724	258,895
Additions	-	-	2,644	2,644
	<u>194,049</u>	<u>29,122</u>	<u>38,368</u>	<u>261,539</u>
At 30 June 2006				
<b>Depreciation</b>				
At 1 July 2005	53,547	22,595	24,409	100,551
Charge for the year	8,306	2,942	2,929	14,177
	<u>61,853</u>	<u>25,537</u>	<u>27,338</u>	<u>114,728</u>
At 30 June 2006				
<b>Net book value</b>				
At 30 June 2006	£ 132,196	£ 3,585	£ 11,030	£ 146,811
At 30 June 2005	<u>£ 140,502</u>	<u>£ 6,527</u>	<u>£ 11,315</u>	<u>£ 158,344</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2006**

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**11. DEBTORS**

	2006	2005
	£	£
Other debtors	3,517	4,383
Prepayments and accrued income	17,607	14,779
Tax recoverable	2,200	3,936
Grants Receivable	1,250	3,872
	<u>£ 24,574</u>	<u>£ 26,970</u>

**12. CREDITORS:**

**Amounts falling due within one year**

	2006	2005
	£	£
Trade creditors	4,209	6,936
Social security and other taxes	1,975	1,355
Accruals and deferred income	44,617	39,680
	<u>£ 50,801</u>	<u>£ 47,971</u>

Deferred income of £35,730 (2005 - £38,215) represents grants received during the year, which is specifically allocated to funding future expenditure.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**13. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
<b>DESIGNATED FUNDS</b>				
Development Fund	40,000	-	-	40,000
<b>GENERAL FUNDS</b>				
General Funds	207,124	236,995	(229,650)	214,469
Total unrestricted funds	247,124	236,995	(229,650)	254,469
The Development Fund has been designated by the trustees for expansion and improvement of the charity's accommodation and business premises.				
<b>RESTRICTED FUNDS</b>				
Salary Fund	-	23,249	(23,249)	-
Total of Funds	£ 247,124	£ 260,244	£ (252,899)	£ 254,469

The Salary Fund represents grants from Office of the Deputy Prime Minister (ODPM) of £12,238, South East London Community Foundation (SELF) of £7,594, Emmaus UK of £30,000 and The Mercers' Company of £30,000. The grant from ODPM is to partially fund the salary of the Community Leader for one year, and has been expended in full. The grant from SELF is to partially fund the salary of a Workshop Supervisor, and has also been expended in full. The grant from Emmaus UK is to partially fund the salary of the General Manager for one year commencing June 2006. The grant from The Mercers' Company is for the same purpose, but for a three year period commencing June 2006.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated Funds	40,000	-	-	40,000
General Funds	207,124	236,995	(229,650)	214,469
Subtotal	247,124	236,995	(229,650)	254,469
Restricted Funds	-	23,249	(23,249)	-
	£ 247,124	£ 260,244	£ (252,899)	£ 254,469

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

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**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Restricted Funds 2006 £</b>	<b>Unrestricted Funds 2006 £</b>	<b>Total Funds 2006 £</b>	<i>Total Funds 2005 £</i>
Tangible fixed assets	-	146,811	146,811	158,344
Current assets	-	158,460	158,460	136,751
Creditors due within one year	-	(50,802)	(50,802)	(47,971)
	<u>£ -</u>	<u>£ 254,469</u>	<u>£ 254,469</u>	<u>£ 247,124</u>