

Registered Company 6820441
Registered Charity 1131408

Emmaus Gateshead

(a company limited by guarantee and not having a share capital)

Trustees' Report
and
Financial Statements
for the
Year ended to 30 June 2011

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Emmaus Gateshead

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Emmaus Gateshead

Legal and administrative information For the period ended 30 June 2011

Trustees: Douglas Ball (Chair)
Anthony Grant
Monica Grant
Richard Hill
Donald Pinchbeck
Fiona Quinn (appointed 23 June 2011)
Norma Scott
Kathleen Wallace
Susan Wilson (appointed 8 November 2010)

Secretary: Kelvin Butler

Company Registered Number: 6820441

Charity Registered Number: 1131408

Registered Office: 35 South Hill Road
Gateshead
NE8 2XZ

Auditors/Independent Examiners:

Baker Tilly Tax and Accounting Limited
1 St James Gate
Newcastle upon Tyne
NE1 4AD

Bankers: HSBC Bank plc
110, Grey Street
Newcastle upon Tyne
NE1 6JG

Solicitors: Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Affiliations: Emmaus Gateshead is an affiliate member of the Emmaus Federation in the UK and a trial member of Emmaus International

Emmaus Gateshead

Trustees Report

For the period ended 30 June 2011

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, submit their report and financial statements of Emmaus Gateshead (the Charity) for the year ended 30 June 2011. The Trustees confirm that this report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing documents and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in 2005.

Aims and objectives

The aims and objectives of the Charity is the alleviation and relief of poverty, hardship and distress arising there from, in conformance with the principles of the Emmaus Movement as published from time to time by Emmaus UK, to those in need without distinction by

- the provision of accommodation, or assistance in such provision, for homeless people (the beneficiaries) principally in the metropolitan borough of Gateshead
- the rehabilitation of homeless people and the provision of education, training (including, without limitation, employment training) and work opportunities 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
- the support of the work of other Emmaus Communities and Groups or other agencies in the relief of poverty and homelessness whether in the United Kingdom or elsewhere in the world and in particular (without limitation) by the exchange of resources, information and expertise with other Emmaus projects world wide

The Emmaus Movement

The Emmaus Movement (the "Movement") was founded in 1949 by Abbé Pierre, a priest and member of the French Parliament, to combat poverty and homelessness. He began by sharing his presbytery with homeless people and the Community supported itself by recycling and selling things that others had thrown away. The Movement has since grown worldwide and there are now over 350 Emmaus projects in some 36 countries.

The first Emmaus Community in the UK was established in 1992 and 21 are operational today, with several others in the course of development around the country. An Emmaus Community offers homeless people a chance to regain their self-respect through living and working in a supportive environment which combines residential accommodation with a self-supporting business. These businesses are based largely on the collection

and sale of donated goods as well as refurbishment and recycling. Every Emmaus Community aims to become self-sufficient through its business activity. In addition every Emmaus Community helps others by, for example, giving away furniture to households on low income and donating any surplus income to support others in greater need. Members of each Community, known as Companions, have the opportunity to help themselves through work and thereby rediscover their dignity and self-respect.

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

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

In return each Companion receives food, clothing and accommodation, as well as a weekly allowance. A further small weekly sum is accrued each week to be given to a Companion on leaving the Community.

Review of achievements and performance

During the period under review the Charity continued with its project to establish an Emmaus Community in Gateshead, the first to be established in the North East of England. The optimism expressed in last year's report for the creation of an Emmaus Community in 2012 will now not be until 2014.

As reported last year a specific site had been identified by the Charity as suitable for this project and negotiations were taking place with Gateshead Council for its acquisition. Based on these negotiations the charity issued instructions for a full structural survey to be undertaken and for designs to be prepared for the conversion and refurbishment of the property. Initial discussions were held with the planning authorities regarding change of use consents.

However, the feasibility study by the Charity's consultant engineers identified that the Dunston Hill School buildings, and in particular the Junior School building, had deteriorated to such an extent that they were now in a very poor state of repair. As a result it became apparent that this property would no longer be a viable site for an Emmaus Community due to the cost of necessary restoration work in addition to the refurbishment and building work required to meet Emmaus' specific design needs. The Local Listing has exacerbated the problem.

The Charity is now looking for a new site for the project and has secured a grant of £500k from the Homes and Community Agency towards the development in Gateshead.

Gateshead Council has reaffirmed its commitment and support for the establishment of an Emmaus Community in Gateshead as part of its

homeless strategy The Charity will continue to work in partnership with Gateshead Council to identify, build and open an Emmaus Community on an appropriate site that will benefit socially excluded people in Gateshead without incurring excessive costs

Constitution

The Charity is a limited liability company being limited by guarantee and not having a share capital It was registered in England and Wales under the Companies Act 2006 on 16 February 2009 and its governing documents are its Memorandum and Articles of Association The Charity was registered as a charity with the Charity Commission for England and Wales on 27 August 2009 The Charity is an affiliate member of the Emmaus Federation in the UK and a trial member of Emmaus International

Governance and management

The management of the Charity is the responsibility of its Board of Trustees who are elected and co-opted under the terms of the Articles of Association Trustees who served during the period under review are shown on page 3

The Board has created a number of sub-committees to take responsibility and oversee certain aspects of the Project, under the chairmanship of a Trustee, as follows

Awareness and Fundraising Group (formerly the Community Fundraising Working Group) - under the chairmanship of Kath Wallace, this sub-committee is a combination of trustees and volunteers It organises talks to groups and plans and executes small fund raising activities throughout the year It also leads on networking with other agencies and raising the profile of Emmaus Gateshead

Trust and Foundations Fundraising Working Group – this sub-committee organises, researches and applies for grants from grant making trusts and foundations in accordance with the Board's fundraising strategy under the chairmanship of Norma Scott

Statutory Fundraising Working Group - this sub-committee organises, researches and applies for grants from statutory sources in accordance with the Board's fundraising strategy and is chaired by Douglas Ball

Property Working Group – this sub-committee is responsible for identifying properties suitable for use as an Emmaus Community and in making recommendations to the Board for any acquisition It is also responsible for organising all necessary searches, surveys and consents and to undertake negotiations for the acquisition of property once approved by, but subject to the final decision of, the Board Douglas Ball chairs this working group.

The main Board meets twice each calendar month

Ms F Quinn who was co-opted to the Board during the year will seek reappointment at the Annual General Meeting Mrs M Grant and Mr D Pinchbeck will retire by rotation from the Board and seek re-election at the Annual General Meeting

Financial review

Income for the year of £21,939 was primarily derived from grants and donations The deficit for the period of £(6,685) is to be set against unrestricted funds brought forward

Investment policy

The Charity has the power under the Memorandum and Articles of Association to make any investment which the Trustees see fit Given the level of funds generated to date and the early stage of the Charity's project to establish an Emmaus Community, it is considered appropriate to keep funds in a form which is immediately accessible

Risk Management

The Board of Trustees has carried out a review of the risks the Charity may face at present and is satisfied that systems are in place to mitigate exposure to such risks However, the Trustees recognise that as the project progresses further factors may arise and will undertake further reviews from time to time

Public Benefit Statement

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission for England and Wales in exercising their powers or duties

Trustees' responsibilities

Company and charity law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial period 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 are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Charity will continue in operation

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

The Charity is a small company for the purposes of section 382 of the Companies Act 2006 and qualifies for exemption from audit for the financial period under review. The trustees have taken advantage of that exemption but have requested Baker Tilly to undertake an independent examination of the financial statements.

Independent examiners

A resolution under s485 Companies Act 2006 regarding the reappointment of Baker Tilly Tax and Accounting Ltd will be proposed at the Annual General Meeting.

Preparation of this report

This Report has been prepared in accordance with the small companies' regime under the Companies Act 2006 and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005) and was approved by the Trustees on 14 December 2011 and signed on their behalf, by

A handwritten signature in black ink, appearing to read 'Kelvin Butler', is written over a horizontal line.

Kelvin Butler
Secretary

Emmaus Gateshead

Statement of Financial Activities (incorporating the Income and Expenditure Account) For the year ended 30 June 2011

| | | Restricted Funds 2011 | Unrestricted Funds 2011 | Total Funds 2011 | Total Funds 2010 |
|--|------|-----------------------------|-------------------------------|------------------------|------------------------|
| | Note | £ | £ | £ | £ |
| Incoming Resources | | | | | |
| Voluntary income | | | | | |
| Donations | | - | 8,379 | 8,379 | 3,336 |
| Activities for generating funds | | | | | |
| Fundraising events | | - | 2,287 | 2,287 | 2,742 |
| Interest receivable | | - | 1,273 | 1,273 | 31 |
| Incoming resources from charitable activities | | | | | |
| Grants | 2 | 10,000 | - | 10,000 | 50,500 |
| Total incoming resources | | 10,000 | 11,939 | 21,939 | 56,609 |
| Resources Expended | | | | | |
| Costs of generating funds | | | | | |
| Fundraising and publicity | | - | 2,095 | 2,095 | 2,905 |
| Support and governance costs | | - | 1,093 | 1,093 | 1,222 |
| Aborted site development costs | | 10,000 | 15,436 | 25,436 | - |
| Total resources expended | 3 | 10,000 | 18,624 | 28,624 | 4,127 |
| Net Movement in Funds for the year | | - | (6,685) | (6,685) | 52,482 |
| Total Funds at 30 June 2010/09 | | - | 53,642 | 53,642 | 1,160 |
| Total Funds at 30 June 2011/10 | | - | 46,957 | 46,957 | 53,642 |

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

All incoming resources and resources expended derived from continuing activities

The notes on pages 11 to 13 form an integral part of these financial statements

Emmaus Gateshead

Balance Sheet As at 30 June 2011

| | Note | 2011 £ | 2010 £ |
|---|------|---------------|---------------|
| Current Assets | | | |
| Debtors | 5 | 1,034 | 595 |
| Cash in hand and at bank | | 56,638 | 53,722 |
| | | <u>57,672</u> | <u>54,317</u> |
| Creditors amounts falling due within one year | 6 | 10,715 | 675 |
| Net current and total net assets | | <u>46,957</u> | <u>53,642</u> |
| Funds | | | |
| Restricted funds | 7 | - | - |
| Unrestricted general funds | | 46,957 | 53,642 |
| | | <u>46,957</u> | <u>53,642</u> |

The Company is a small company under s382 Companies Act 2006 and these financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

For the period ending 30 June 2011 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The trustees/directors are satisfied that these financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Charity and were approved by the Board of trustees on the 14 December 2011



Douglas Ball,

Chair of the Board of Trustees

Emmaus Gateshead

Notes to the Financial Statements For the Period ended 30 June 2011

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities issued in March 2005.

1.2 Company status

The Charity is a company limited by guarantee. The members of the company are the subscribers to the Memorandum of Association, its Trustees, Emmaus UK and others. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.3 Fund accounting

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

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

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

1.4 Incoming resources

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

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

1.5 Resources expended

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

Fund-raising costs are those incurred in seeking voluntary contributions, grants and the generation of funds through fundraising events. Resources expended on charitable activities comprise the costs incurred by the Charity in working to meet its charitable objectives. Governance costs are those costs incurred in providing the governance infrastructure which allows the Charity to operate and comply with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those

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

1.6 Cash flow

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

1.7 Small items of capital expenditure

Expenditure on individual items costing under £250 is written off to income and expenditure account in the accounting period in which it is incurred.

| 2. | Grants | 2011 £ | 2010 £ |
|----|------------------------------------|---------------|---------------|
| | The Joicey Trust | 10,000 | - |
| | Catherine Cookson Charitable Trust | - | 50,000 |
| | Hedley Denton Charitable Trust | - | 500 |
| | | 10,000 | 50,500 |

3. Analysis of Total Resources Expended

| | Direct Costs 2011 £ | Support Costs 2011 £ | Total 2011 £ | Total 2010 £ |
|---|------------------------------|-------------------------------|--------------------|--------------------|
| Costs of generating funds: | | | | |
| Fundraising and publicity | 2,095 | - | 2,095 | 2,905 |
| Support, governance and aborted costs: | | | | |
| Professional costs | 26,519 | - | 26,519 | 202 |
| Other | - | 10 | 10 | 1,020 |
| Total resources expended | 28,614 | 10 | 28,624 | 4,127 |

Support and governance costs include meeting expenses and the costs of the independent examination of these Financial Statements.

4. Trustees' remuneration

No Trustee or any person connected with a Trustee received any remuneration or benefit in kind during the period.

5. Debtors

| | 2011 £ | 2010 £ |
|--|--------------|------------|
| Amounts falling due within one year | | |
| Donations and gift aid | 1,034 | 595 |

6. Creditors

| Amounts falling due within one year | 2011 | 2010 |
|--|---------------|-------------|
| Creditors | 9,995 | 325 |
| Accruals | 720 | 350 |
| | <u>10,715</u> | <u>675</u> |

7. Restricted Funds

No funds are presently restricted as to their use

Emmaus Gateshead

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EMMAUS GATESHEAD

I report on the accounts of Emmaus Gateshead for the period ended 30 June 2011, which are set out on pages 9 to 13

Respective responsibilities of trustees and examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 43 of the 1993 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43 (7)(b) of the 1993 Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out below.

Independent examiner's statements

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that in any material respect the requirements

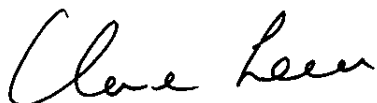
to keep accounting records in accordance with section 386 of the Companies Act 2006, and

to prepare accounts which accord with the accounting records and comply with the accounting requirements of the section 396

of the Companies Act 2006 and with the methods and principles
of the Statement of Recommended Practice Accounting and
Reporting by Charities

have not been met, or

- (2) to which, in my opinion, attention should be drawn in order to enable a
proper understanding of the accounts to be reached



Name Claire Leece
Relevant professional qualification or body ICAEW
ON BEHALF OF BAKER TILLY TAX AND ACCOUNTING LIMITED
Chartered Accountants
1 St James Gate
Newcastle upon Tyne
NE1 4AD

19 December 2011