

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
FOR**

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

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

TUESDAY



A04 *A6Z7HC2Y* 06/02/2018 #142
COMPANIES HOUSE

EMMAUS SOUTH WALES

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FOR THE YEAR ENDED 30 JUNE 2017**

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EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

The trustees who are also directors, and with Emmaus UK, members 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 2017. 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: "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>).

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 volunteer full time in their Community's social enterprise with the Community receiving their Housing Benefit as a form of rent. Companions can live at our Community home at Nant Lais, and receive support to gain extra skills to equip them to look for work and make a success of finding and living in, their own accommodation.

Emmaus South Wales has trial membership of Emmaus Europe and Emmaus International & affiliate membership of Emmaus UK.

Who benefits from the work of an Emmaus Community?

Our social enterprise has now grown, over four years, to seven shops with a turnover in the year of over £700,000, 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 can 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 (see page 2 and page 8 overleaf) from which we are generating referrals and encouraging 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. Our numerous volunteers also benefit from their participation in the work of the charity.

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.

In the past year, we have supported Emmaus International's solidarity activities with the proceeds of a day's takings from our shops. We also support the local community on a case-by-case basis with one-off donations of furniture, following our ethos of helping those in need.

Emmaus South Wales is committed to acts of solidarity as per our ethos and this year, our acts of solidarity have been restricted by the lack of a Community van until recently. Our new van has ensured that we can broaden our solidarity work in the future. Our Companions have taken part in three First Give projects and made time to meet with children in schools to support them in projects addressing the needs of homeless people and raising awareness and understanding. What makes these projects so important is the opportunity it gives Companions to understand the impact they can have by telling their stories, increasing their confidence and feeling heard. The Community has won two awards of £250 this year alone, which have gone to supporting local people with solidarity packages of bedding and useful household items, as well as the Companion leisure fund, which has enabled Companions to go out on trips such as camping and bowling together. This strengthens the Community, too.

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

OBJECTIVES AND ACTIVITIES

The Community Home at Nant Lais

In March 2015, the Community 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.

The 22 bed Community home opened in December 2015 after a £1.3m acquisition and refurbishment programme. The fund raising efforts of Emmaus South Wales and the generous support of organisations, individuals and foundations (listed under 'Thanks' on Page 8), meant that the costs of refurbishment were entirely covered.

The Community had a very successful visit from its Royal Patron, HRH The Duchess of Cornwall, in July 2016, and this was an excellent opportunity to showcase the work of Emmaus South Wales. Since then, staff and Companions have welcomed our local MP Madeleine Moon MP as well as other Welsh politicians. We have also received international visitors from Singapore, local housing providers and others across Wales, along with local people. Companions have also conducted outreach with schools and local agencies, interviews with BBC Wales, and attended conferences with Cymorth Cymru. This has promoted Emmaus values and the benefits of the social enterprise model, as well as highlighting the benefits of Emmaus for local homeless people.

The Community 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.

During the year July 2016 to June 2017, 101 referrals were made to the Community and 17 Companions have moved into Nant Lais. At 30/06/17, the Community housed 14 Companions at an occupancy level of 64%.

We are also grateful to those who have referred Companions, which include:

Self-Referral
Emmaus Communities
East Gwent Probation
Bridgend Probation
Wallich Bridgend
WYCCP
St Giles Trust
Dyfodol
CSTM
Off The Fence
Reach Floating Support
Salvation Army
No Second Night Out London
Jimmys Cambridge
Ty Ogwr
Gwalia
British Red Cross
Glass Door Homeless Charity
Sussex Pathways
Purfleet Trust Swansea
CGL Cambridge
CCL Bournemouth
CGL Leeds
HMP Swansea
HMP Parc
HMP Eastwood Park

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

OBJECTIVES AND ACTIVITIES

The Community Home at Nant Lais

Our Companions cover a wide range of demographics, ages range from 23 to 74 and come from all parts of the United Kingdom. Currently, the Community has a Welsh contingent of 27% with a proportion of those resident locally to the Bridgend area. Our goal is for that figure to rise to 50% in the coming years. The majority of the Companions present with depression and anxiety and some have a previous history of substance misuse. Others have had a degree of alcohol addiction. Many of them are Fathers and where possible since arriving at Nant Lais, have begun the slow process of re-building relationships with their children. Regular counselling is arranged for Companions with emotional issues when they arrive, and this specialist support is helping to maintain a safe and stable Community.

A range of training and support work was undertaken by the Community management team in the last year in support of Companions, which included updates on substance misuse and bereavement, working with the effects of trauma and health and safety. The focus for the current year includes dealing with depression, ADHD, transgender issues and anger management. The Community has grown and is, in Autumn 2017, nearly 90% full, in line with the Emmaus UK strategic plan. This has been achieved by building up slowly, with the Community Manager taking time to build a safe and stable Community rather than rushing to fill Nant Lais and risking its stability.

The focus for the current year is to ensure that we build on existing partnerships to keep our costs down, ensuring that the referral and assessment process is streamlined and thorough; equipping local people to make relevant and appropriate referrals, and increasing local participation and awareness-raising through our solidarity work. This will assist in maximising occupancy, retaining and developing the Companions we have, and help to keep the costs of the Community as low as possible.

The Emmaus South Wales Community Home at Nant Lais has had exemplary support from all of its funders such as the Oak and Waterloo Foundations, but has developed mutually beneficial relationships with the following: Invisible Walls Wales, Willmott Dixon, Ford Bridgend, Valleys to Coast, Whiteheads, Bridgend County Borough Council, Tesco's, Sainsbury's, Horizons Counselling Service, Riversdale Surgery, South Wales Police, Fareshare and our local councillor David White.

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 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 £700,000. These shops contribute towards the running costs of the Community. Long-term, our aim is for social enterprise to create a financial foundation on which expanded and additional Communities can be built, because the need for accommodation for those made homeless is unfortunately increasing. However, the impact of UK Government Welfare reform has yet to be understood, especially the impact of Universal Credit upon the Emmaus model. Therefore, Emmaus South Wales is working to develop its Social Enterprise to cover as much of the costs of the Community as possible, because the future of Housing Benefit as an income stream is uncertain. If the Housing Benefit income stream can be maintained, then it is more likely that the Emmaus model can be developed and implemented across South Wales. If not, then the growth of Emmaus South Wales will be restricted as we rely on our Social Enterprise to fund the Community.

Meanwhile, opportunities are being examined for broadening the base of our social enterprise, by offering other products and services.

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

Working Together

The Community and social enterprise have worked hard at ensuring that the transition from applicant to Companion is as seamless as possible. The Community Managers and Business Manager meet to ensure that timely reviews of individual Companion development plans are conducted and Companions receive the training and support required. These development plans are aspirational and include training and development issues; as well as future employment and move on. Inductions commence the day the Companion arrives, so formalities such as housing benefit forms and GP registration take place immediately. The Companion is given a rota which explains where they will work, who they will be reporting to and where they will be trained. Close monitoring of that process is undertaken by the Business and Community Managers and kept under weekly review by shop managers and volunteers. Every effort is made to encourage Companions to work and live effectively together as a Community, with Companions leading on conflict resolution and weekly Community meetings to address any behavioural or procedural issues. An effective relationship with our local Police ensures that Companions develop healthy responses to law enforcement, and our local Police act quickly if any issues arise. No formal complaints have been made about the Community since it opened.

Staff and Volunteers

Great credit must be paid to the management of our social enterprise, its staff and volunteers, without whom our social enterprise would not be successful. Volunteers contributed over 26,000 hours of their time supporting the charity, equivalent to a value over £199,000. 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.

Reserves Policy

The Board recognises the need to maintain an adequate level of unrestricted reserves as working capital to secure the organisation's future viability and to ensure the continuity of the charity in circumstances where it may suffer a serious setback in its income or unexpectedly high expenditure from an event such as a fire in a major shop or in the Community home.

The charity currently operates from nine different locations so reducing the risk to the whole charity due to the closure of one of them. Each location is capable of operating independently.

The risk to the charity's income is greatly reduced by trading in seven independent locations and because the income of Emmaus shops has not proved to be vulnerable to economic downturn. The Board has made conservative assumptions about other sources of income and concessions it enjoys as a charity. The trading operations of the charity produced a positive cash flow which enabled the charity to repay the £75,000 loan from the WCVA.

The Working Capital Reserve, with seven shops, is set at a sum equal to the net cash outflow resulting from one of our principal operations being put out of action or the Community having to be closed for three months, by which time insurance compensation would be received to help offset the loss.

Emmaus Communities have closed their doors to Companions temporarily before. There is no reason why our social enterprise would not continue, since it operated before the Community had Companions. The Board therefore judges that a working capital reserve of £100,000 of unrestricted funds would be quite adequate to enable Emmaus South Wales to survive such a calamity. The charity also has the potential of long-term borrowings.

The planning of the social enterprise, and therefore total unrestricted reserves, over the next three years takes account of further risks to our income arising from further Government austerity measures and policy changes. The Reserves Policy will be reviewed whenever major changes are foreseen and at least annually. Actual reserves are monitored throughout the year to anticipate any undue risks which might arise if reserves fell below the policy level. Full details of reserves can be found in Note 16.

Capital Development Fund

The Fund has been created to finance capital expenditure, either in the development of the community home, which provides a home for Companions - formerly homeless people; or in the charity's social enterprise, where they work to support themselves and others.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

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 has helped the Community Manager in creating a Community where homeless people live and work, recover self-confidence 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. Leaflet drops and talks have been 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.

Our social enterprise has been working hard to forge strong links with the local communities surrounding each shop. This has led to successful partnership working with a number of local voluntary organisations and schools.

Management accounts comparing results with budget are reviewed regularly by the Enterprise & Finance Committee and the Board. Following a review of past and predicted income, and a desire on the Board to reduce our liabilities over the next few years, the Board decided to pay back the £75,000 loan from WCVA at 6% to reduce future expenditure arising from the interest/repayment.

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.

The charity is in the process of reviewing the potential impact of welfare reform, including Universal Credit. It was expected that Universal Credit will be rolled out across the UK and by April 2019, all Emmaus Communities will lose their current exempt status. However, production in early November 2017 of a UK Government Green Paper, at the time of publishing these Annual Report and Accounts implies that there may be other options open to the Emmaus movement, and Emmaus South Wales, within UK welfare reform. Were Emmaus communities to remain within the Universal Credit system, the implications are that Companions would be paid their housing benefit direct to their own bank account; they would only be expected to 'volunteer' in the social enterprise for a maximum of 17 hours a week and would be expected to spend the rest of their time job seeking. This Universal Credit model has major implications for the Emmaus model, and Emmaus South Wales has been active in lobbying local MPs, AMs and organisations to highlight the potential consequences of an Emmaus Community not being able to function as such. Therefore, the options being indicated are being explored with great interest by Emmaus South Wales and the Emmaus movement as a whole at the time of publication.

For example, a recent report ('Better than cure? Testing the case for enhancing prevention of single homelessness in England 2016') by Crisis, in conjunction with the University of York and the University of Pennsylvania estimates the cost of single homelessness. The report estimates the annual cost to the taxpayer of a single person being homeless to be around £35.5K. The annual cost to the taxpayer of Housing Benefit per Companion in Nant Lais is around £9K. So, 19 Companions safely housed in the Community Home at Nant Lais and kept from homelessness, save the UK taxpayer £500K per annum. This is an impressive social investment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, constituted in 2010 as a company limited by guarantee, as defined by the Companies Act 2006 and run in accordance with its Articles of Association.

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,

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

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.

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 5 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 and 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 2016/17, we have welcomed Margaret Barry to the Board, who brings a wealth of HR experience and skills. We thank Amelia Cavaghan, our former Treasurer, for her huge contribution to improving Emmaus South Wales financial management and processes over the past two years.

A delegation framework is in place, with the day to day responsibility for the operations of the Charity resting with the Chief Executive, Tom Clarke, 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 & Marketing, 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 29 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 (see previous reference above under 'Objectives and Aims').

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 was ably represented by Companions at this year's National Assembly in Coventry. The goal is for at least 5 Companions to attend next year's Assembly. Our Companions attend workshops, briefings and short courses on the strategic direction of Emmaus.

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

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 is 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 built up weekly at £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

P Knapp (Chairman)
M A A Cavaghan (Treasurer) Resigned 30 June 2017
G E Cheetham (Deputy Chair)
C A Lowry (Hon Secretary)
J A Noble (Former Chairman)
J Fenner
M E Roberts
M Barry
M Major MBE
P Tanner (Joined July 2017 and being registered as a Trustee)
J Raikes (Joined September 2017 and being registered as a Trustee)

Company Secretary

C A Lowry

Auditors

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

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

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 develop Wales' first Emmaus Community home in Bridgend.

We remain grateful for the support received in 2015/16 for the funding for the acquisition and conversion of Nant Lais. This 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 and 2016/17 with further funding anticipated in 2017/18 to a total of £75,000. Oak Foundation has also contributed £27,900 for 2016/17, in addition to previous funding received.

Emmaus UK have provided good guidance in setting up the Community home and support to the Board. The Waterloo Foundation has made a further £20,000 grant to fund the work of the Community.

We have also received the equivalent of £20,000 from the Transform Foundation, which in partnership with Raising IT, we are using to develop e-sales as a new income stream for the social enterprise. Local Yorkshire Building Society and Nationwide Anglia branches have also contributed staff time and resources in supporting the work of Emmaus South Wales. Emmaus South Wales has also received support with two First Give awards of £250 each in conjunction with work done by Ysgol Gyfun Gymraeg Llangynwyd and Brynteg Comprehensive School.

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 buy them and signpost others to our shops!

EMMAUS SOUTH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

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.

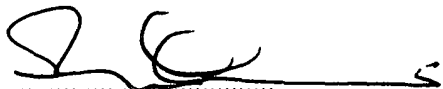
In so far as the trustees are aware:

- 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 20.11.17 and signed on its behalf by:



P Knapp - Trustee

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

Opinion

We have audited the financial statements of Emmaus South Wales (the 'charitable company') for the year ended 30 June 2017 on pages twelve to twenty three. 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.

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 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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

Opinion on other matters prescribed by the Companies Act 2006

- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

A Le

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: 20/11/17

EMMAUS SOUTH WALES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2017

		Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM	Notes				
	3				
Donations and legacies		14,757	4,493	19,250	83,418
Charitable activities		861,734	57,887	919,621	1,463,701
Other		588	24,000	24,588	23,118
Total		877,079	86,380	963,459	1,570,237
EXPENDITURE ON	3				
Raising funds		160	80	240	1,200
Charitable activities		750,138	118,986	869,124	720,609
Other		65,940	21,162	87,102	165,223
Total		816,238	140,228	956,466	886,832
NET INCOME/(EXPENDITURE)		60,841	(53,848)	6,993	683,405
RECONCILIATION OF FUNDS					
Total funds brought forward		229,197	1,247,825	1,477,022	793,617
TOTAL FUNDS CARRIED FORWARD		<u>290,038</u>	<u>1,193,977</u>	<u>1,484,015</u>	<u>1,477,022</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

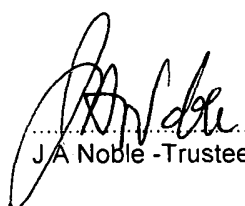
EMMAUS SOUTH WALES

**STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2017**

		Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	8	86,008	1,173,986	1,259,994	1,328,227
CURRENT ASSETS					
Stocks	9	9,219	-	9,219	5,656
Debtors	10	76,275	-	76,275	83,765
Cash at bank		<u>259,881</u>	<u>24,628</u>	<u>284,509</u>	<u>284,509</u>
		345,375	24,628	370,003	419,159
CREDITORS					
Amounts falling due within one year	11	(82,848)	-	(82,848)	(140,331)
NET CURRENT ASSETS		<u>262,527</u>	<u>-</u>	<u>287,155</u>	<u>278,828</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		348,535	1,198,614	1,547,149	1,607,055
CREDITORS					
Amounts falling due after more than one year	12	(38,492)	-	(38,492)	(105,391)
ACCRUALS AND DEFERRED INCOME	15	(24,642)	-	(24,642)	(24,642)
NET ASSETS		<u>285,401</u>	<u>1,198,614</u>	<u>1,484,015</u>	<u>1,477,022</u>
FUNDS	16				
Unrestricted funds				285,401	229,197
Restricted funds				<u>1,198,614</u>	<u>1,247,825</u>
TOTAL FUNDS				<u>1,484,015</u>	<u>1,477,022</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 20.11.17 and were signed on its behalf by:


J A Noble -Trustee

The notes form part of these financial statements

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 and it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised at point of receipt. Donated goods are recognised when the item is sold.

Grant income is recognised when the terms and conditions relating to the grant have been met.

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.

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, plus any costs directly attributable to bringing the asset to its working condition for its intended use.

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
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 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.

Stocks of small goods donated to the charity are not recognised due to the practicality of determining the value of the stock item until the point of sale.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2017

1. ACCOUNTING POLICIES - continued

Taxation

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

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 group personal 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. CHANGE OF COMPARATIVES

The comparatives have been restated on the face of the Statement of Financial Activities for disclosure purposes. This has no effect on the income, expenditure or net surplus figure.

The Social Enterprise shops were opened in advance of the Community Home in order to establish an income earning facility and gain credibility with potential donors of Emmaus South Wales to run a successful Social Enterprise and Community. The Community Home at Nant Lais opened in January 2016, since when Companions have worked in the Social Enterprise shops which is a key part of their rehabilitation. During the year to 2016 the opening of Nant Lais Community allowed Companions to start working in the Social Enterprise shops.

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2017

3. ANALYSIS OF INCOME AND EXPENDITURE

2017

	Social Enterprise Shop - Donated £	Social Enterprise Shop - Other £	Community £	Sub Total £	Fundraising £	Support £	Total £
Income	724,641	69,210	125,770	919,621	19,250	24,588	963,459
Expenditure	581,432	98,525	189,167	869,124	240	87,102	956,466
Net Surplus / (Deficit)	<u>143,209</u>	<u>(29,315)</u>	<u>(63,397)</u>	<u>50,497</u>	<u>19,010</u>	<u>(62,514)</u>	<u>6,993</u>

2016 Comparative

	Social Enterprise Shop - Donated £	Social Enterprise Shop - Other £	Community £	Sub Total £	Fundraising £	Support £	Total £
Income	643,038	56,806	763,857	1,463,701	83,418	23,118	1,570,237
Expenditure	529,033	83,245	108,131	720,409	1,200	165,223	886,832
Net Surplus / (Deficit)	<u>114,005</u>	<u>(26,439)</u>	<u>655,726</u>	<u>743,292</u>	<u>82,218</u>	<u>(142,105)</u>	<u>683,405</u>

EMMAUS SOUTH WALES**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2017**

4. NET INCOME/(EXPENDITURE)

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

	2017	2016
	£	£
Auditors' remuneration	3,975	4,992
Other non-audit services	1,175	1,250
Depreciation - owned assets	88,278	62,244
Depreciation - assets on hire purchase contracts and finance leases	1,678	2,237
Other operating leases	148,875	164,399
Deficit on disposal of fixed asset	<u>1,282</u>	<u>8,422</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2017 nor for the year ended 30 June 2016.

Trustees' expenses

	2017	2016
	£	£
Trustees' expenses	<u>2,481</u>	<u>3,838</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2017

6. STAFF COSTS

	2017 £	2016 £
Wages and salaries	405,915	401,617
Other pension costs	6,725	7,156
	<u>412,640</u>	<u>408,773</u>

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

	2017	2016
Administration	2	2
Community	2	2
Social Enterprise	21	20
	<u>25</u>	<u>24</u>

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

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	2016 Unrestricted funds £	2016 Restricted funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	83,418	-	83,418
Charitable activities	646,086	817,615	1,463,701
Other	118	23,000	23,118
Total	<u>729,622</u>	<u>840,615</u>	<u>1,570,237</u>
EXPENDITURE ON			
Raising funds	4,000	2,000	6,000
Charitable activities	586,937	128,672	715,609
Other	144,223	21,000	165,223
Total	<u>735,160</u>	<u>151,672</u>	<u>886,832</u>
NET INCOME/(EXPENDITURE)	<u>(5,538)</u>	<u>688,943</u>	<u>683,405</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>234,735</u>	<u>558,882</u>	<u>793,617</u>
TOTAL FUNDS CARRIED FORWARD	<u>229,197</u>	<u>1,247,825</u>	<u>1,477,022</u>

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2017

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 July 2016	1,254,757	152,335	38,530	5,412	1,451,034
Additions	-	12,823	8,329	1,853	23,005
Disposals	-	(295)	(1,500)	-	(1,795)
At 30 June 2017	<u>1,254,757</u>	<u>164,863</u>	<u>45,359</u>	<u>7,265</u>	<u>1,472,244</u>
DEPRECIATION					
At 1 July 2016	26,924	73,417	19,936	2,530	122,807
Charge for year	53,847	30,553	4,474	1,082	89,956
Eliminated on disposal	-	(138)	(375)	-	(513)
At 30 June 2017	<u>80,771</u>	<u>103,832</u>	<u>24,035</u>	<u>3,612</u>	<u>212,250</u>
NET BOOK VALUE					
At 30 June 2017	<u>1,173,986</u>	<u>61,031</u>	<u>21,324</u>	<u>3,653</u>	<u>1,259,994</u>
At 30 June 2016	<u>1,227,833</u>	<u>78,918</u>	<u>18,594</u>	<u>2,882</u>	<u>1,328,227</u>

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

	Motor vehicles £
COST	
At 1 July 2016	<u>17,755</u>
DEPRECIATION	
At 1 July 2016	11,045
Charge for year	<u>1,678</u>
At 30 June 2017	<u>12,723</u>
NET BOOK VALUE	
At 30 June 2017	<u>5,032</u>
At 30 June 2016	<u>6,710</u>

EMMAUS SOUTH WALES**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2017****9. STOCKS**

	2017	2016
	£	£
Stocks	<u>9,219</u>	<u>5,656</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	-	1,408
Other debtors	40,680	48,003
Gift Aid debtors	22,741	20,224
VAT	8,580	7,132
Prepayments	<u>4,274</u>	<u>6,998</u>
	<u>76,275</u>	<u>83,765</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Other loans (see note 13)	-	3,266
Hire purchase (see note 14)	-	3,353
Trade creditors	2,652	8,757
Social security and other taxes	7,792	8,326
Other creditors	<u>72,404</u>	<u>116,629</u>
	<u>82,848</u>	<u>140,331</u>

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

	2017	2016
	£	£
Other loans (see note 13)	38,492	102,954
Hire purchase (see note 14)	<u>-</u>	<u>2,437</u>
	<u>38,492</u>	<u>105,391</u>

EMMAUS SOUTH WALES**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2017****13. LOANS**

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year on demand:		
WCVA Loan	-	3,266
	-	3,266
Amounts falling between one and two years:		
Emmaus UK loan	38,492	-
WCVA Loan	-	3,469
	38,492	3,469
Amounts falling due between two and five years:		
Emmaus UK Loan	-	33,048
WCVA Loan	-	13,876
	-	46,924
Amounts falling due in more than five years:		
Repayable by instalments:		
WCVA Loan	-	52,561

14. LEASING AGREEMENTS

	Hire purchase contracts	
	2017 £	2016 £
Net obligations repayable:		
Within one year	-	3,353
Between one and five years	-	2,437
	-	5,790

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017 £	2016 £
Within one year	33,000	25,000
Between one and five years	7,800	22,500
In more than five years	100,000	100,000
	140,800	147,500

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2017

15. ACCRUALS AND DEFERRED INCOME

	2017 £	2016 £
Accruals and deferred income	<u>24,642</u>	<u>24,642</u>

16. MOVEMENT IN FUNDS

	At 1.7.16 £	Net movement in funds £	At 30.6.17 £
Unrestricted funds			
General fund	229,197	56,204	285,401
Restricted funds			
Oak Foundation	-	(2,688)	(2,688)
Lloyds TSB	-	2,758	2,758
Nant Lais	1,247,825	(53,847)	1,193,978
Moondance	-	73	73
Shaw Trust	-	4,493	4,493
	<u>1,247,825</u>	<u>(49,211)</u>	<u>1,198,614</u>
TOTAL FUNDS	<u>1,477,022</u>	<u>6,993</u>	<u>1,484,015</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	877,079	(820,875)	56,204
Restricted funds			
Oak Foundation	27,887	(30,575)	(2,688)
Lloyds TSB	24,000	(21,242)	2,758
Nant Lais	-	(53,847)	(53,847)
Moondance	30,000	(29,927)	73
Shaw Trust	4,493	-	4,493
	<u>86,380</u>	<u>(135,591)</u>	<u>(49,211)</u>
TOTAL FUNDS	<u>963,459</u>	<u>(956,466)</u>	<u>6,993</u>

The Nant Lais reserve can only be realised on the sale of the Nant Lais building.

EMMAUS SOUTH WALES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2017

16. 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 & associated costs	24,000	47,000	72,000
Oak Foundation	Business manager wages & associated costs	27,887	136,292	148,692
Moondance Foundation	Community manager wages & associated costs	30,000	60,800	60,800
Nant Lais	Development of Community Home			
	Welsh Assembly	-	500,000	500,000
	The Big Lottery	-	425,000	425,000
	Emmaus Appeal	-	136,344	136,344
	Other Nant Lais donors	-	178,404	178,404

The Big Lottery and Welsh Assembly grants were provided with a supporting 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.

17. 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.

18. RELATED PARTY DISCLOSURES

The charity made sales to and purchases from Emmaus UK of £3,257 and £1,818 respectively during the year.

At the year end the charity owed £43,250 (2016: £43,250) in respect of a loan. This loan shows in the balance sheet as £38,492 representing the total loan less deemed interest to be charged to the Statement of Financial Activities in future periods.