



Emmaus Turvey Limited
Emmaus Village Carlton

Financial Statements
For the Year Ended 30 June 2008

Charity No: 1083113
Company No: 3924340

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Directors' Report

The Directors present their Annual Report and Financial Statements for the year ended 30 June 2008.

Reference and administrative details

Registered Charity: Emmaus Village Carlton
Registered Company: Emmaus Turvey Limited

Registered Charity Number: 1083113
Registered Company Number: 3924340

Principal place of operations and
Registered Address: School Lane
Carlton
Bedfordshire MK43 7LQ

Patrons: Mr Sam Whitbread - *Lord Lieutenant of Bedfordshire*
The Rt. Rev Richard N Inwood - *Bishop of Bedford*
The Rt. Rev Peter Doyle - *Bishop of Northampton*

Current Trustees & Directors (with date of appointment)

Edward Bellamy	30.11.07 - Director
Kevin Cantwell	30.03.06 – Director (resigned 17.09.08)
George Hartigan	11.02.00 - Director
Shelagh Manley	01.03.01 - Director
Frank McMahon	29.11.06 - Director
David Pibworth	30.03.06 - Director
Roger Wansbrough	17.10.06 - Director
Anthony Woodhouse	21.12.01 – Director

Other Trustees & Directors for the year to 30 June 2008 (with dates of appointment and resignation):

Philip Ledger	17.10.06 (01.08.07) - Director
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Secretary: Roger Wansbrough

Treasurer: Edward Bellamy (from 30.11.07) (Philip Ledger to 1.08.2007)

Auditor: Mercer & Hole
300 Pavilion Drive
Northampton Business Park
Northampton NN4 7YE

Bankers: Barclays Bank plc
111 High Street
Bedford MK40 1NJ

CAF Bank Limited
Kings Hill
West Malling
Kent ME19 4TA

Structure, governance and management

Nature of Governing Document

Emmaus Turvey Limited (the Company) is a Company limited by guarantee governed by its Memorandum and Articles of Association dated 29 September 1999. (The Articles were amended on 28 June 2001). The company was incorporated on 11 February 2000. It has been registered as a charity with the Charity Commission since 9 Nov 2000 and is affiliated to Emmaus UK.

Appointment of Trustees

The Articles of Association provide for one third of the Trustees (or the nearest number) to retire at each annual meeting (subject to re-appointment if a vacancy is not filled). Trustees are required to be at least eighteen years of age and not subject to disqualification or incapacity as defined in the Articles. Advance notice, to a general meeting, is given of any person to be proposed as a new Trustee. The overall number of Trustees is not fewer than three, but there is no maximum (unless decided by ordinary resolution). There are currently eight Trustees.

When appointing Trustees the company has regard to the need for any specialist skills which individuals can bring to the organisation.

Trustee induction and training

New Trustees receive information on the Emmaus movement and attend an induction day to brief them on the mission, objectives, business and management structure of the charity.

During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

A board of Trustees, plus a company secretary, which meets every two months, administers Emmaus Village Carlton. Trustees are also directors of Emmaus Turvey Limited. An Operations Committee, which meets on a monthly basis, oversees the day-to-day operations within the Community, and is responsible for ensuring that the policies determined by the Trustees are carried out. The Operations Committee includes representatives from all the major stakeholders in the project. It is authorised to make financial commitments within an annual budget set by the Trustees, and delegates operational decisions to the Community Leaders and other specifically designated people.

George Hartigan retired as Chairman at the end of the financial year and was replaced by Frank McMahon from 1st July 2008. Edward Bellamy was appointed Treasurer from 30th November 2007.

Related parties

The charity is an autonomous body within the Emmaus movement, but maintains a close relationship with other Emmaus bodies, in order to facilitate the achievement of its objectives.

The charity also maintains a relationship with the Carlton Educational Trust (CET), a charity from which it leases the land and premises for the Carlton Community. A representative of the CET is invited to attend Trustees' meetings, in particular in relation to any matter affecting the land and buildings at Carlton.

Risk assessment

The Trustees have made an assessment of the major risks to which the charity is exposed and conclude that they are predominantly: the operational stability of the community, the financial stability of the company, and the question of Health and Safety within the community and business.

Steps have been taken to mitigate these risks as far as possible, for example by ensuring that we have a well trained and resourced staff team, conservative financial policies and robust business planning, and a program of training in and strict adherence to Health & Safety guidelines respectively.

Objectives and activities

The principal objective of the charity is to provide accommodation and employment for homeless people in accordance with the principles of the Emmaus movement.

During the year to June 2008, EVC consolidated its position as a place for hope for the homeless and a respected part of the wider community. By the end of the year, Companions had spent a total of over 35,000 nights at EVC since the doors opened in December 2001. The Companions achieved many personal triumphs from invaluable contributions to the business and community life, through gaining training qualifications to addressing the problems associated with previously being homeless. Of the 73 Companions who made EVC their home during the year, one third moved on to independent living or another form of supported housing.

During the year, we made £11,826 in solidarity payments both to other organisations within the Emmaus movement and local causes. This figure excludes significant donations in kind that were made.

Phase 1 of the Bistro Redevelopment was completed. This principally involved the moving and upgrading of the kitchen, allowing us to better serve our customers and to provide a better working and training environment for Companions.

Under the direction of the Community Leaders, Helen Jago and Mike O'Meara, staff members (three of whom were previously Companions at EVC) developed further into a cohesive team at the hub of the project. The Trustees wish to record their gratitude to them, in particular to the retiring Alan and Maureen Barrett (who, prior to their final part-time role, were joint Community Leaders) and Mike O'Meara (who left to take on the role of Community Leader at Emmaus South Lambeth). It is fully appreciated that so much of their most valuable work in supporting and providing opportunities for the Companions goes on behind the scene.

The functioning of the community is highly dependent upon volunteers through sorting of goods for resale and recycling, to assisting in the Bric-a-Brac shop, Clothing Boutique and Bistro,

driving the van, administration and fundraising. A central register of volunteers is maintained, and regular functions, newsletters etc are organised for volunteers to keep them up to date with the project as a whole. Not only could we not survive without their hours of toil and specialist skills, but they are also a vital ingredient in the unique atmosphere at EVC that is fundamental to our success.

Achievements and performance

The majority of charitable activities consist of sustaining and maintaining the community, with funding being derived from the Bistro and Bric-a-brac shop, Clothing Boutique and Furniture Showroom. Performance here is monitored against a Trustee-approved budget and has shown year-on-year improvement, and regularly turned over well in excess of £8,000 per week, representing a rise of over 50% on the previous year. This is more than sufficient to meet the charity's day-to-day running expenses, affording the opportunity to invest in the project, enhance the opportunities offered to Companions and help others more in need.

Financial review

Reserves

The directors have attempted to safeguard the financial status of the charity by maintaining general reserves at a level equivalent to two to three months' revenue expenditure. This level was considered reasonably prudent in view of the fact that the project has substantial fixed operating costs. This level will be kept under continuous review as the community and business continue to expand. Various financial controls and regular financial reporting procedures have been put in place. The directors ensure that regular risk assessments of health and safety and fire procedures within the community and workplace are undertaken.

Investment policy

The current policy is to invest funds in high interest bank accounts to ensure a low risk return. This investment policy is at the Directors' and Trustees' discretion.

Funding sources

Funding for ongoing operations of the Charity is derived from commercial activities of the shops and café facilities on the Carlton site. Revenue furthers the aims of the charity by funding utilities, food and board, site maintenance and improvement. Please also see the Notes to the Financial Statements.

Plans for future periods

The Trustees frequently review a prioritized list of site and infrastructure improvements, and implementation is approved as funds become available.

In the near future, a phased development of the following projects will be rolled out as financial and management resources permit to accommodate increasing trade:

- 1 Phases 2 and 3 of the Redevelopment of the Bistro.
- 2 Refurbishment of furniture processing and retail areas.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Law applicable to charitable companies in England and Wales requires the Directors who are also Trustees of the company, to prepare financial statements for each year that give a true and fair view of the state of the charitable company's financial activities during the year and of its financial position at the end of the year.

In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- made judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the relevant legislation. 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.

Statement of Disclosure of Information to Auditors

- (a) so far as the Directors are aware, there is no relevant audit information of which the charity's auditors are unaware and;
- (b) they have taken all the reasonable steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

Mercer & Hole have expressed their willingness to continue to act as Auditors and will be re-appointed at the Company's AGM.

Signed on behalf of the Directors of Emmaus Turvey Limited and Trustees of Emmaus Village Carlton

Frank McMahan
Chairman

Date: _____

Independent Auditors Report

We have audited the financial statements of Emmaus Turvey Limited on pages 8 to 14 for the year ended 30 June 2008. These financial statements have been prepared under the historical cost convention and the accounting policies set out on therein.

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent by law, we do not accept responsibility to anyone other than the company's members as a body, for audit work, for this report, or for the opinions that we have formed.

Respective Responsibilities of Directors and Auditors

The company's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Accounting Standards.

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, in our opinion, the directors' report is consistent with the financial statements. Also if the company 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 directors' remuneration and transactions with the company is not disclosed.

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

Basis of Opinion

We conducted our audit in accordance with Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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 mis-statement, 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.

Opinion

In our opinion the financial statements give a true and fair view of the company's affairs at 30 June 2008 and of its incoming resources and application of resources including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985. The information given in the directors report is consistent with the financial statements.

For Mercer & Hole
Chartered Accountants
Registered Auditors
300 Pavilion Drive
Northampton Business Park
Northampton
NN4 7YE

Date: _____

Statement of Financial Activities

for the year ended 30 June 2008
 (including an Income and Expenditure Account)

	Notes	Total Unrestricted Funds £	Total Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Incoming Resources					
Incoming resources from generated funds					
Voluntary Income	2	17,715	71,925	89,640	145,992
Activities for Generating Funds	3	-	-	-	-
Investment Income	4	8,376	-	8,376	7,291
Incoming Resources from Charitable Activities	5	558,609	-	558,609	380,064
Total Incoming Resources		584,700	71,925	656,625	533,347
Costs of Carlton Operation					
Resources Expended					
Cost of Generating Funds					
Cost of Generating Voluntary Income	6	762	-	762	1,260
Charitable Activities	7,8,9	487,688	143,078	630,766	662,608
Governance Costs	10	7,522	-	7,522	3,084
Total Resources Expended		495,972	143,078	639,050	666,952
Net Incoming Resources		88,728	(71,153)	17,575	-133,605
Fund bal b/fwd at 1.7.07		68,606	58,782	127,388	260,993
Transfer – General to restricted		(61,000)	61,000		
Fund bal. C/fwd at 30.6.08		96,334	48,629	144,963	127,388

Balance Sheet

as at 30 June 2008

	Notes	<u>30.6.2008</u>	<u>30.6.2007</u>
		£	£
Tangible Fixed Assets	13	4,476	4,809
Current Assets			
Cash at Bank and in Hand		164,915	138,546
Debtors		20,242	2,240
Creditors			
Amounts Falling Due within One Year	12	44,670	18,207
Net Current Assets		<u>140,487</u>	<u>122,579</u>
Net Assets		<u>144,963</u>	<u>127,388</u>
Accumulated Funds			
Unrestricted Funds		91,859	60,513
Designated Funds	15	4,475	8,093
Restricted Funds	14	<u>48,629</u>	<u>58,782</u>
		<u>144,963</u>	<u>127,388</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Approved by the Board of Trustees and Directors on (date) and signed on their behalf by

Frank McMahon
Chairman

Date: _____

The notes on pages 10 to 14 form part of these accounts.

Notes to the Financial Statements

For the year ended 30 June 2008

1. Accounting Policies

The financial statements are prepared under the historical cost basis and in accordance with the Statement of Recommended Practice 2005 (Accounting and Reporting by Charities), and applicable accounting standards. The accounts are prepared on an accruals basis.

Fund Accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees of Emmaus Turvey Limited in furtherance of the general charitable objectives. Designated funds are unrestricted funds that the Trustees have designated or allocated for identifiable future expenditure. Restricted funds are amounts for specific purposes as defined by the donor.

Incoming Resources

Incoming resources are recognised at the point of receipt of monies, except in the case of known amounts due from HM Revenue and Customs relating to tax rebates (notably input tax for VAT). Donated goods for resale are not attributed a value in the accounts as it would be impractical to do so as the likely timing and or price for resale is uncertain.

Resources Expended

Those costs, which are attributable to different functions of the charity, are allocated as such. Where costs relate to more than one function of the charity, the Trustees do not consider it appropriate to allocate individual costs at the point where the cost is incurred. Alternatively the Trustees apportion aggregated costs in proportions that they consider to be a fair estimate of their functional split.

Depreciation

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives using the following rates:

-Equipment, Motor Vehicles – 50% straight line

Accounting for VAT

The company's VAT year-end has been changed to 30 June. Under the existing arrangements, it is necessary to perform an end of year adjustment (related to the VAT partial exemption rules) At 30 June 2008 an adjustment of £2,763 was due, this will be included on the September 2008 return.

2. Voluntary Income comprises:

	Total Unrestricted Funds £	Total Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Grants	-	49,200	49,200	125,476
Donations	16,382	22,725	39,107	19,123
Gift Aid Tax reclaimed	1,333	-	1,333	1,393
Total Voluntary Income	17,715	71,925	89,640	145,992

Details of grants and donations received are provided in notes 14 and 15 (restricted and designated funds).

3. Activities for Generating Funds - there was no income in the year from these activities.

4. Investment Income comprises bank interest.

5. Incoming Resources from Charitable Activities is split as follows:

	Total Unrestricted Funds	Total Restricted Funds	Total Funds 2008	Total Funds 2007
	£	£	£	£
Sale of Donated/ Recycled Goods	322,721	-	322,721	199,589
Bistro	89,110	-	89,110	69,158
Other VATable Sales	15,990	-	15,990	6,982
Rent from Companions	130,788	-	130,788	104,335
Total Incoming Resources from Charitable Activities	558,609	-	558,609	380,064

6. Cost of Generating Voluntary Income

Costs of £762 were incurred primarily in running the fundraising office.

The Charity has also benefited significantly from the considerable input by volunteers and Trustees. It has also received a great deal of support from the fundraising team at Emmaus UK.

7. Resources Expended on Charitable Activities splits:

	Total Unrestricted Funds	Total Restricted Funds	Total Funds 2008	Total Funds 2007
	£	£	£	£
Repairs and Maintenance	43,761	111,559	155,320	276,570
Retail & Workshop Supplies/Services	72,651	-	72,651	57,297
Community Costs	42,050	6,005	48,055	33,308
Companions' Allowances	54,580	-	54,580	43,238
Food	35,134	-	35,134	28,454
Employment	127,992	23,361	151,353	118,140
Premises (Insurance & Council Tax)	32,667	368	33,035	29,337
Professional Fees	4,852	1,785	6,637	7,159
Transport	20,484	-	20,484	16,448
Utilities & Telecoms	44,233	-	44,233	34,654
Depreciation	9,284	-	9,284	18,003
Total Resources expended on Charitable Activities	487,688	143,078	630,766	662,608

8. Repairs and Maintenance

A sum of £155,320 is shown as expenditure on repairs and maintenance during the year. This has been spent on the renovation of parts of the site at Carlton that were acquired in a state of dilapidation. The largest project accounting for the majority of the expenditure was Phase 1 of the Bistro Redevelopment.

This has been funded principally from internal resources and grants from a well established local grant making charity and Biffaward.

Work continued to upgrade the site as a whole. This was paid for out of general funds and the designated building fund.

The directors have decided, in spite of the scale of these works, not to capitalise any of this expenditure on the basis that this work entailed improvements to existing structures rather than constructing new buildings. Under the terms of the lease Emmaus Turvey will have no share in any potential uplift in value to the property that may arise as a result of this work. Over the last 6 years the amounts so written off totalled £1,688,494.

9. Salary Costs

	2008	2007
	£	£
Salaries (Gross)	141,540	101,711
Employers NI	9,914	7,384
Total	151,454	109,095

At the start of the period the employees within the company comprised four full-time and four part-time employees. Over the year two extra full-time and one part-time member of staff were added, and one part-time left. There were no high paid staff during the year.

10. Governance Costs.

	2008	2007
	£	£
Audit Fee – 2008	2,900	
Audit Fee – 2007	3,488	
Audit Fee – 2006		1,950
Trustee Indemnity Insurance	<u>1,134</u>	<u>1,134</u>
Total	7,522	3,084

11. Remuneration to Trustees for Services

No Trustee of Emmaus Turvey Limited received remuneration from the company for their services during the period.

12. Creditors: Amounts falling due within one year

	2008	2007
	£	£
HM Revenue & Customs	2,938	2,864
Trade Creditors	36,649	10,260
Accrued Pension	583	583
Accrued Leaving Allowances	<u>4,500</u>	<u>4,500</u>
Total	44,670	18,207

13. Fixed Assets

	Motor Vehicles	Plant & Machinery	Garden Machinery	Computer	Total
	£	£	£	£	£
Cost					
01-Jul-07	54,962	21,322	5,501	15,138	96,923
Additions	-	-	-	8,951	8,951
Disposals	-	-	-	-	-
30-Jun-08	54,962	21,322	5,501	24,089	105,874
Depreciation					
01-Jul-07	54,212	21,008	4,289	12,605	92,114
Charges for year	750	314	1,212	7,008	9,284
Disposals	-	-	-	-	-
30-Jun-08	54,962	21,322	5,501	19,613	101,398
Net Book Value					
30-Jun-08	-	-	-	4,476	4,476
01-Jul-07	750	314	1,212	2,533	4,809

The Company has a 50-year lease on the site at Carlton with a rental of £1 per annum. On the basis that the terms of the lease do not transfer ownership of the site to Emmaus Turvey Limited it was decided not to capitalise this property.

14. Restricted Funds

	Bistro Extension	Building Fund (4) U1R	Under One Roof Training and staffing Fund	Totals
	£	£	£	£
Balance as at 01.7.07	6,076	28,903	23,803	58,782
Incoming Resources	71,925	-	-	71,925
Expenditure	(119,876)	(2,171)	(21,031)	(143,078)
Transfers	61,000	-	-	61,000
Balance as at 30.06.08	19,125	26,732	2,772	48,629

1. The Bistro extension fund represents monies raised for the Phase 1 redevelopment and refurbishment of the Bistro and Bric-a-Brac shop.

2. The Building Fund (4) relates to the redevelopment of the old gymnasium building to provide an "under-one-roof" space for the processing and recycling of donated goods. Grants were received from the Jake Charitable Trust, BLEDP, an anonymous international charitable foundation and by the DEFRA Royal Society of Wildlife Trusts (Waste Partnership Fund). The end balance of £26,732 was held in cash. The balance is held for completion of associated works including a retention sum on the main contract.

Note 14. Restricted funds (continued)

3. The "Under-one-roof" training and staffing fund is linked to the project (Building Fund 4) above. This represents grants to fund revenue costs, notably the employment of staff for the project and to provide skills training for companions. Grants were received from Aspirations and from an anonymous Trust. The end balance was held in cash.

15. Designated Funds

	Designated Fund £
Balance as at 01.7.07	<u>8,093</u>
Incoming Resources	-
Expenditure	(32,826)
Transfers	29,208
Balance as at 30.06.08	<u>4,475</u>

Designated Fund was created to fund general building works and maintenance on the site. Funding principally comes from transfers from General (unrestricted) funds.

The funds hold the following assets:

	Fixed assets	Current assets	Creditors	Net assets
Unrestricted funds (excl designated)	-	122,316	30,457	91,859
Restricted funds	-	62,842	14,213	48,629
Designated funds	<u>4,475</u>	<u>-</u>	<u>-</u>	<u>4,475</u>
TOTAL	<u>4,475</u>	<u>185,158</u>	<u>44,670</u>	<u>144,963</u>

16. Related Party Transactions

During the year £8,765 was paid to Emmaus International for membership dues and the Solidarity sale.