

Company Registration No. 03130876 (England and Wales)

SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Dr Glynn Jones OBE DL, Chair David Abbott (resigned 18/11/2016) Simon Bottrell Graham Davis (resigned 26/10/2016) John McLean Patricia Mernagh - Thompson Fiona Morris Gwyn Price Heather Turner (resigned 26/10/2016) Frances Harrison Emma Thomas - Hancock (co - opted 25/01/2017) Philip Daniel (appointed 27/10/2016)
Patrons	The Bishop of Chichester The Bishop of Arundel and Brighton The Duke of Richmond and Gordon
Chief Executive	Christine Squince
Company Secretary	Richard Woodman
Treasurer(s)	Heather Turner and Philip Daniel
Charity number	1053354
Company number	03130876
Registered office and principal address	Drove Road Portslade by Sea Brighton East Sussex BN41 2PA
Auditors	Kreston Reeves LLP One Jubilee Street Brighton East Sussex BN1 1GE
Main day to day banking	Lloyds Banking Group plc PO Box 2898 Brighton BN1 1PX Cafbank Ltd Kings Hill West Malling Kent ME19 4TA

SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS

	Page
Trustees' report	1 – 10
Statement of trustees' responsibilities	11
Independent auditors' report	12 – 13
Statement of financial activities	14
Balance sheet	15
Cash flow statement	16
Notes to the accounts	17 – 26

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The Company, Sussex Emmaus, was incorporated on 27 November 1995. The Trustees, who are also directors of the Company for the purposes of the Companies Act 2006, present their Annual Report, together with the Audited Financial Statements of the Company, for the year ended 31 March 2017. The Trustees confirm that the Annual Report and Financial Statements of the Company comply with the current statutory requirements, the requirements of the Company's governing document, the Charities Act and the Charities SORP FRS102.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Company is governed by its Articles of Association and is limited by guarantee. Each member is required to contribute £1 in the event of winding up. The Company has no share capital. The Company is a registered charity and is a full member of both Emmaus UK and Emmaus International. It also operates under the name of Emmaus Brighton and Hove and its main site and residents are commonly referred to as "the Community" or "our Community".

Aims

The primary aim of the Company is to provide formerly homeless people with accommodation and meaningful work and to assist others in greater need, in accordance with the principles of the Emmaus Movement.

Emmaus Mission

The Emmaus Movement in the UK works with formerly homeless and other socially excluded people so that together we can gain control of our lives, discover a sense of common purpose and help others in need.

Emmaus Values

- Value and respect every person, opposing injustice
- Be transparent and honest in all our dealings
- Demonstrate Solidarity and support for those in need
- Create an environment of empowerment
- Share and exchange resources, skills and learning
- Support and foster interdependence and cherish independence
- Work to live and give

The Trustees define a "financially self-supporting Community" as meaning a Community which generates a surplus of income from all trading activities, accommodation contributions from residents (or Companions as they are known) and commercial rents, over total operational expenditure. Consequently, they decided that, wherever possible, all grants and legacies should be used to pay for capital expenditure.

Organisational Structure and Decision Making

The Trustees

The following served as trustees during the year:

David Abbott (resigned 18 November 2016)

Simon Bottrell

Graham Davis (resigned 26 October 2016)

Frances Harrison

John McLean

Emma Thomas - Hancock (co-opted 25 January 2017)

Fiona Morris

Gwyn Price

Heather Turner (resigned 26 October 2016)

Dr Glynn Jones OBE DL

Patricia Mernagh - Thompson

Philip Daniel (appointed 27 October 2016)

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

It is stipulated that the number of Trustees shall be no fewer than three but shall not be subject to any maximum. One third of the Trustees shall stand down each year, but each may offer himself/herself for re-election, serving a maximum term of six years. In exceptional circumstances, a Trustee may serve for an additional one year term. None of the Trustees, who are also Directors for Company Law purposes, held any beneficial interest in the Company at any time during the year.

Two additional Trustees were appointed during the year.

Philip Daniel joined the Board as a Trustee after a long and successful career with the International Monetary Fund in the United States. He has previous experience of Emmaus and was a Trustee and Treasurer with Sussex Emmaus from 2003 to 2006 and as such, brings with him a wealth of experience of finance combined with great empathy with the principles and objectives of Emmaus.

Emma Thomas - Hancock joined the Board as a Trustee having lived and worked in the greater Brighton and Hove area for many years. Emma works in the voluntary sector and has recently moved from a local to national role working with and developing volunteering. Emma also brings with her specialist and first-hand knowledge of other voluntary organisations.

Three Trustees resigned during the year.

Heather Turner came to Emmaus from a successful career in financial management in the commercial sector. In her capacity as Honorary Treasurer, she worked alongside the Chief Executive and the Finance Manager to regularise and improve financial reporting and procedures. She stepped down on health grounds after completing her first term of office.

Graham Davis works at the University of Brighton and brought with him considerable knowledge of IT skills and systems. He chaired a number of Board working parties and brought energy and commitment to all he did for our Community.

David Abbott was one of the Board's longest serving Trustees and he and his family were often in the Community and, in particular, he helped organise musical events with the Companions. David works for the BBC News Department where he had to work long and unsocial hours. These demands led to his decision to step down after many years of excellent support.

The Board is committed to having Companions present at each Board meeting, although the two who were appointed as Companion observers in 2014 and 2015 both left the Community in the last year. The Board has now identified one new Companion who it is hoped will take on this role and serve for a term of three years.

Recruitment and Training of Trustees

The process of recruiting new Trustees is a continuous one. This ensures that the Board has the skills and experience it needs to guide the Community in an ever-changing world and to replace the skills and experience of those Trustees who are to retire.

It is vitally important that new Trustees are able to take advantage of an appropriate and up to date induction programme so they can become aware of all facets of the Community and also visit other Communities and understand the working of Emmaus UK and Emmaus International. The programme continues to be developed in conjunction with guidelines provided from the Emmaus UK Federation office. Trustees are provided with relevant local information for our Community, whilst being kept informed of the national and international movement through regular updates, newsletters and Emmaus Net.

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

All Trustees are encouraged to attend national events such as the Federation Assembly. In this way we can better ensure that we are utilising their skills and experience to best advantage and as quickly as possible.

Charity Law is becoming more and more complex and it is very important for good governance that all Trustees receive appropriate training and timely information.

Trustees do not receive any remuneration for their services.

The Board has established a number of committees of which Trustees are members. These include the following:

- Finance and General Purposes
- Strategy
- Personnel and Governance
- Health & Safety
- Policies Review

In addition, two task groups continue to operate to help deliver the objectives of the Community's Five Year Strategic Plan:

- Resources and Profile
- Companions' Experience

Trustees work alongside staff, Companions and volunteers as members of these two groups.

All committees and task groups provide feedback to the Board at its quarterly meetings.

For some years now, the Board has followed good practice and met annually outside of the normal Board framework to review the past year and its achievement of the Strategic Objectives set out in the Community's Five Year Strategic Plan.

On 16th November 2016 the Board of Trustees met for its annual review meeting. The two main items on the agenda were: to review progress on implementing the steps identified to deliver the Community's Five Year Strategic Plan and a workshop entitled 'Understanding our customers'.

This year we were greatly assisted by Legal and General Group plc who generously hosted the meeting in their local offices. They also provided facilitators to help us review our performance and to stand back and reflect on who our customers were and how we might get our messages across more effectively. Also, how we might best build links with more groups who could help the Community grow. We are indebted to Legal and General for their support and we look forward to developing similar links with other organisations and businesses. Through them, we aim to constantly strive to improve the contribution we can make, not only to our own Community, but to the local communities with whom we have very close and supportive relationships.

Membership of the Company

Membership of the Company, of which the Board of Trustees is the governing body, is open to Companions, volunteers and employees who have served six months with the Community. Trustees are admitted as members on appointment.

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

At the time of the Annual General Meeting in October 2016, there were 67 members, comprising:

- 24 Companions
- 10 Trustees
- 11 employees
- 9 volunteers
- 13 others including Emmaus UK and former Trustees

Employment of Staff

There were 13 members of staff employed during the year, all of whom occupied full time posts. At the start of the financial year, the Board took the difficult decision of making one post redundant, that of the Greenhouse Manager. Following a consultation period, the Greenhouse Manager left in May 2016. In June 2016 a van driver who had been employed for almost a year, tendered his resignation. In February 2017, the Maintenance Worker left after being employed for over 6 years. It is our intention to recruit replacements for both these posts.

Management

The Trustees oversee the work of the Charity and meet regularly for the purpose. However, the management of the Community and its business is delegated to the Chief Executive, Christine Squince, assisted by Mathieu Delarue, Community Leader and Joel Lewis, Business Manager.

A Committee of Management meets monthly to coordinate activities, hear comments and give guidance to the staff who, with the Companions and the assistance of volunteers, run the trading activities and maintain the premises. Liaison takes place with Companions through the morning meetings which precede each working day and by means of specially convened gatherings to deal with specific issues.

Risk Management

During the year, at their normal quarterly meetings, the Trustees reviewed the risks entailed in the management and governance of the Community. Where risks were judged to be either particularly high or where the consequences of such risks were deemed to be particularly serious measures were put in place to ensure that the risks were properly managed.

OBJECTIVES AND ACTIVITIES

Objectives

The three key objectives for the Community, working within the framework of the Universal Manifesto of the Emmaus Movement are:

- To strengthen the Community
- To continue to be a self-supporting Community by increasing our income from trading
- To make a Commitment to Solidarity

Activities

The Life of the Community

The principal activity of the Trustees remains the formulation of policy and the oversight and support of the management team in their task of giving direction, support and training to Companions, staff and volunteers.

The goals of the Community are the practical and moral support of Companions and financial self-sufficiency, both to be achieved through the work of the Community members and the improvements in the quality of life of the Companions. The Charity is committed to offering a warm welcome to new Companions. The Community operates an Admissions Policy, which encourages a diversity of applicants. Aspiring Companions are asked to submit a referral form and are invited to the Community for a familiarisation tour and to meet with staff and Companions in positions of responsibility before being invited to join.

Policies are required to regulate the running of the life and work of the Community and are regularly reviewed.

Training remains a priority and many Companions have gained new skills and personal satisfaction from the courses undertaken. Workplace training takes place in the skills needed to run the businesses and to improve the Companions' confidence and self-esteem. Courses include manual handling, health and safety, first aid, food hygiene, safe use of garden machinery, COSHH and how to deal with customers and donors.

Counselling, support and advice continue to be made available within the Community and this extends to guidance with regard to 'moving-on' for those who wish to do so. Appropriate support is offered to Companions through the guidance of the Community Leader and the Support Worker.

The Health and Safety Committee has met regularly and given attention to potential and perceived risks. A report upon its work is made to every Board meeting, and action is taken as necessary.

The Community has capacity for 48 Companions. 46 reside in the Main Building, and 2 in one of the cottages in the grounds. During the year 84 people have resided in the Community for a short or long period. A number of Companions have left the Community and then returned.

In July 2016 Companion Patrick Libert passed away after a long illness. Patrick had been a Companion in our Community since September 1998 and was our longest resident Companion. He had been involved with Emmaus for many years living not only with us but also at other Emmaus Communities.

Development and essential maintenance work were the main focus of the in-house maintenance team who worked alongside specialist contractors where necessary. The development projects were carefully planned and managed to run alongside the everyday activities and workings of the Community.

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The maintenance projects undertaken throughout the year included:

- Refurbishment work in the main shop to accommodate the three businesses, the Secondhand Superstore, Emporium and Greenhouse
- Decorated a number of Companion bedrooms
- Decorated and fitting new carpet in the corridors on the first floor and Drove building which link Companions bedrooms to the Community
- Decorated throughout one of the cottages, 20 Drove Road
- Refurbished existing bathrooms and created a new shower room on the first floor
- Fitted a new boiler in the Manor office building
- Undertook an extensive programme of replacing lights with LED lights which are more efficient, cost effective and have environmental benefit
- Installed two new industrial washing machines in the Companions' laundry room

The Secondhand Superstore and Emporium, which underwent significant refurbishment during the early part of the year, remain the main retail selling areas and offer a wide selection of furniture, household goods, linen, clothing, books, CDs and DVDs. The Emporium is dedicated to the sale of vintage, retro, collectable, handmade and up-cycled products. The stock on sale is targeted at a different market from the Secondhand Superstore. The shop is merchandised to display the range of goods by theme or era and, therefore, is particularly well supported by those seeking unusual items or by those with an interest in the past. Attention to detail and presentation of stock has been the focus of our work, which includes training and developing new skills for Companions.

In September, the Greenhouse shop was relocated into the conservatory and terrace at the rear of the main Superstore building. The shop offers a range of garden-related donated items along with a selection of plants.

The shops have built a strong, loyal customer base but we continue to actively seek to attract new customers. During the year, the Secondhand Superstore continued to work in partnership with local organisations, including Brighton & Hove City Council, to supply household goods to local people on low incomes. The Council led Social Discretionary Fund is a voucher run scheme for such people in receipt of a crisis loan. We are able to supply essential household goods to those in receipt of the vouchers.

The café, Revive, continues to be a very popular meeting place. Customers and visitors can enjoy good food and refreshments in the large indoor café or outside on the extensive terrace overlooking the gardens. The café appeals to customers in its own right and has become a destination for local residents, office workers and visitors to the Community.

Emmaus by the Sea, the first shop to be operated by our Community away from its main site, opened in July 2013. The shop sells furniture, household goods, clothing, linen, books, music and plants. It is benefitting from the south coast road location in Southwick attracting a high level of donations and passing trade. The shop acts as a signpost to the main site. The first floor flat above the shop is let to a private tenant and the Board has taken the decision to continue with this arrangement for the foreseeable future.

The Community continues its commitment to 'Solidarity' work by helping those in greater need. The Companions, staff and Trustees attend a regular meeting to discuss and consider local, national and international Solidarity projects. Examples of the type of projects undertaken in the year include:

- Monthly help at the soup run on Brighton seafront
- In July, three Companions returned to join a team of volunteers in Bosnia where they helped to consolidate a local Emmaus Community

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The Community is grateful to its team of volunteers who work alongside and support the Companions and staff in both business and Community activities. At the end of March 2017 there were 46 people who volunteer at the Community on a regular basis.

On 3rd February 2017 the Community officially launched its 20th anniversary year. This was the day on which the Community first opened its doors to Companions. A private party was held for Community members and started a year of celebratory events to mark the occasion.

Emmaus Hastings & Rother

Emmaus Brighton & Hove continues to work alongside the Emmaus Hastings & Rother Community, which opened its doors to Companions in June 2011. The Community has places for 23 Companions and has now reached its full capacity. The Community is now going from strength to strength and our role has changed to that of a supportive neighbouring Community. Their Chairman remains an observer at our Board meetings and we meet regularly to discuss areas of common concern and interest.

External Activities and Promotion

Members and staff of our Community continue to take an active part in the diverse activities and work of Emmaus UK and of Emmaus International.

Members of staff and Companions attend peer group meetings throughout the year with colleagues from other Emmaus Communities. The groups discuss best practice and common themes and issues across the movement. A Companion attends the Companions' Forum to represent the views of Companions across the Federation. Newly recruited members of staff from existing and new Communities have spent time with us as part of their training and on-going development.

Communication within and outside the Community is maintained through the use of our website, www.emmausbrighton.co.uk leaflets and through the use of social media. Facebook, Twitter, Instagram and Pinterest are examples of direct marketing and messaging. We use this media to promote events, the businesses and stories about the Community, its people and its work. Newsletters and e newsletters continue to be regarded as a helpful means of sharing information with our followers and supporters.

In May 2016 Emmaus Brighton & Hove was chosen to be one of 27 local charities supported by the Mayor of Brighton & Hove, Pete West, during his term of office. The Community was also the chosen charity partner for Legal & General in Hove and the Rotary Club of Brighton & Hove. At the Sussex Life Awards in September 2016, Emmaus Brighton & Hove was chosen as the winner in the Services to the Community category. The award was accepted on behalf of the Community by Retail Operations Manager, Andy Hobbs and a Companion.

Public Benefit

Emmaus Communities provide a home, shelter and meaningful work for their Companions, many of whom come to Emmaus as a result of homelessness, relationship breakdown, unemployment, debt and alcohol or drug abuse. Many join the Community as a result of social exclusion and poverty related issues. The Community welcomes men and women over the age of eighteen.

The environmental benefits to the public are that Emmaus Communities encourage reuse and recycling and save many hundreds of tons of waste from landfill each year.

Plans for the future

This last year has been yet another challenging one for Emmaus and many other charities who struggle to provide accommodation for the homeless and those with special needs. The reality is that many people in the communities we relate to have been experiencing a difficult year financially and this is reflected nationally and to some extent locally in a 12% drop in recorded donations/income to charitable organisations such as ours. This has meant that our Community has had to be ever more inventive in seeking to establish new businesses or re-branding and upgrading existing ones. At our main site, there has been a tremendous investment in time and energy to modernise our Secondhand Superstore and to re-organise our site generally to create a more attractive environment for people to visit, spend money and enjoy the special experience that Emmaus offers.

We will continue to explore the possibility of working in partnership with like-minded organisations, either on our own sites or new shared premises.

FINANCIAL REVIEW

The proposed introduction of Universal Credit by the Government will, as currently framed, have a dramatic impact on the way in which Companions receive Housing Benefit and be required to present themselves for work in a much more rigorous environment. This has the potential to fundamentally change the basis of our existing relationship with our Companions. Our Strategic Plan sets out very clearly that the only effective way to compensate for loss of Housing and other benefits is to extend our trading opportunities on our existing sites but perhaps more importantly, by opening new trading venues in Brighton and Hove and/or further afield and possibly in conjunction with other Emmaus Communities and organisations with like-minded values. By generating additional income it should be possible to be totally self-sufficient and not reliant on Government funding. This would give us greater flexibility in the way we can work with Companions in their journey back into "society" or, in some cases, continuing to provide a long term home for those most vulnerable.

The Board will, as in previous years, continue to review its own effectiveness, and review the way it operates in order to meet the increasing challenges facing charities such as ours. This will include adapting, wherever necessary, to the new Governance arrangements which are currently being consulted on by the Charity Commission and other Government agencies and which could come into force later in 2017.

The Board remains committed to reviewing its own operation and effectiveness and also to the increasing involvement of Companions in the development and governance of the Community, which is their home.

INCOME

Income and resources from generating funds

The overall income for the year was £1,132,789 (2016 - £1,059,570).

Voluntary income

The Charity received grants and donations totaling £82,612 during the period (2016 - £82,110) of which £3,000 was restricted (2016 - £15,478).

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

Investment income

The Charity benefited from investment income totaling £72,820 (2016 - £71,851). The majority of this came from commercial rents from those parts of its property which it is unable to use for its charitable mission.

They include:

Letting of cottages – There are three cottages on the site. One has been let on a shorthold lease since 2004, one is used to house two Companions and the third is used as staff accommodation.

Lettings in the Manor – The whole of the Manor is let out as offices.

Charitable activities

Trading activities

The Charity's trading activities are undertaken by Companions, who are the beneficiaries of the Charity, in the shops, café and garden, as part of the Charity's operations.

This year the shops and café generated Income of £693,865 (2016 - £624,394). This was a significant contribution to the overall running of the Charity.

Pressure on our trading income continues. The management team, working along-side Companions, continued to review all procedures relating to stock collection, stock control and administration relating to collections. Areas for improvement were continually discussed within the Community. The level and quality of donated goods was monitored and discussed with the team in the transport department, van crews and shops. The Community faced great competition from a number of local charities, who sell donated furniture and household goods, as well as from discount retailers and supermarkets.

Accommodation contributions

Companions contribute to the housing costs by paying an accommodation contribution. Those who have insufficient income are eligible to claim Housing Benefit.

Accommodation contributions produced an income of £283,492 (2016- £281,215).

EXPENDITURE

Overall expenditure on continuing operations was £1,060,818 (2016 - £1,080,140).

A total of £96,607 was spent (included within expenditure) on infrastructure improvements of which:

£3,494 on fire alarm maintenance and £84,722 on general maintenance. Plus, there were capital additions totalling £8,391, which was also spent on investment in infrastructure.

Auditors

At the Annual General Meeting on 26 October 2016, Kreston Reeves LLP was re-appointed as Auditors.

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

Reserves Policy

The Charity's policy is to maintain a level of reserves sufficient to enable it to deal with the consequences of unexpected events or contingencies. Likely areas of risk have been identified as unexpected maintenance or health and safety expenditure, or difficult or volatile trading conditions.

Three months' worth of planned annual expenditure is taken as a suitable reserves target. This range is considered appropriate given the income and expenditure risks the Charity faces and is comparable with other charities in similar circumstances.

Under the policy adopted during the year, reserves are defined as the unrestricted funds balance, adjusted to exclude fixed assets. Long term liabilities have not been deducted in calculating reserves because they are repayable under the terms of a set repayment schedule. These payments themselves are included in planned expenditure. Under this definition, reserves stood at £277,553 at 31 March 2017 (2016 - £200,242) which equates to 2.9 months. The Board has the policy under regular review.

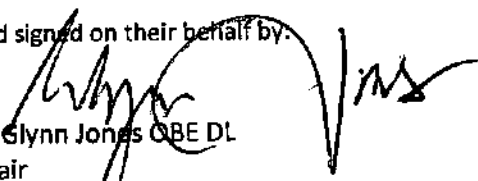
Provision of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charitable Company's Auditors in connection with preparing their Report and to establish that the Charitable Company's Auditors are aware of that information.

Approved by the Trustees on 19th July 2017

And signed on their behalf by:



Dr Glynn Jones OBE DL
Chair
Sussex Emmaus
Drove Road
Portslade by Sea
Brighton
BN41 2PA

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
A STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Statement of Trustees' Responsibilities

The Trustees, who are also the directors of Sussex Emmaus for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure that the accounts 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 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 auditor is 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 auditor is aware of that information.

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF SUSSEX EMMAUS**

We have audited the financial statements of Sussex Emmaus for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. 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 FRS 102, "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

This report is made solely to the Charity's Trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of Sussex Emmaus for the purpose of Company law, are responsible for the preparation of the financial statements which give a true and fair view.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF SUSSEX EMMAUS**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- The Charitable Company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Kreston Reeves LLP

**Kreston Reeves LLP, Statutory Auditor
Chartered Accountants
One Jubilee Street
Brighton
East Sussex
BN1 1GE**

Dated: *5 September 2017*

SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income from:					
Donations and gifts	2	79,612	3,000	82,612	82,110
Investments	3	72,820	-	72,820	71,851
Shops and Café	4	977,357	-	977,357	905,609
Total income		1,129,789	3,000	1,132,789	1,059,570
Expenditure on:					
Shops, Café and Companion support costs	5	1,058,104	2,714	1,060,818	1,080,140
Total expenditure		1,058,104	2,714	1,060,818	1,080,140
Net income/(expenditure) before transfers		71,685	286	71,971	(20,570)
Gross transfers between funds	16	-	-	-	-
Net movement in funds		71,685	286	71,971	(20,570)
Fund balances at 1 April 2016		886,969	7,779	894,748	915,318
Fund balances at 31 March 2017		958,654	8,065	966,719	894,748

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All activities are classified as continuing. There are no recognised gains or losses other than those reported on the statement of financial activities.

SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	9		823,640		868,237
Current assets					
Debtors	10	65,933		61,191	
Cash at bank and in hand		346,241		237,475	
		<u>412,174</u>		<u>298,666</u>	
Creditors: amounts falling due within one year	11	<u>(126,556)</u>		<u>(98,362)</u>	
Net current assets			285,618		200,304
Total assets less current liabilities			<u>1,109,258</u>		<u>1,068,541</u>
Creditors: amounts falling due after more than one year	12		(142,539)		(173,793)
Net assets			<u>966,719</u>		<u>894,748</u>
Income funds					
Restricted funds	16		8,065		7,779
Unrestricted funds	16		958,654		886,969
			<u>966,719</u>		<u>894,748</u>

The Trustees have prepared these accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company.

For the year ending 31 March 2017 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small Companies but as this Company is a Charity, it is subject to audit under the Charities Act 2011.

These accounts were approved by the Board on 19th July 2017


 Dr Glynn Jones OBE DL,
 Chair of Trustees

Company Registration No. 03130876

SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2017

	2017 £	2016 £
Statement of cash flows		
Net cash provided by/ (used in) Operating activities (as below)	<u>73,780</u>	<u>(12,237)</u>
Cash flows from investing activities:		
Rent receivable	72,329	70,921
Interest received	491	930
Purchase of Fixed assets	(8,391)	(37,390)
Net cash provided by investing activities	<u>64,429</u>	<u>34,461</u>
Cash flows from financing activities:		
Repayment of borrowings	(29,443)	(8,417)
Net cash (used in) financing activities	<u>(29,443)</u>	<u>(8,417)</u>
Cash and Cash Equivalents as at 1 April 2016	237,475	223,668
Change in Cash and Cash equivalents	108,766	13,807
Cash and Cash equivalents as at 31 March 2017	<u>346,241</u>	<u>237,475</u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the year	71,971	(20,570)
Add:		
Depreciation	52,988	57,603
Increase in creditors	26,383	34,172
Deduct:		
Rent received	(72,329)	(70,921)
Interest received	(491)	(930)
Increase in debtors	(4,742)	(11,591)
Net cash provided by/ (used in) Operating activities	<u>73,780</u>	<u>(12,237)</u>

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with 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, and the Charities SORP (FRS 102).

Sussex Emmaus meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 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.

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.

Designated funds are funds which have been earmarked by the Trustees for future capital projects. The aim and use of each fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Income

Income resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and receipt of the income is probable. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Shop and café income is recognised on a receipts basis. Donated goods for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donation received under Gift Aid or Deeds of Covenant is recognised at the time of the donation.

Income tax in relation to investment income is recognised at the time the investment income is receivable.

Companions' accommodation contributions relate to amounts received in respect of Companions' accommodation costs and are accounted for on a receivable basis.

Rental income is accounted for on a receivable basis.

1.4 Grants receivable

Grants receivable are treated in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" and are not recognised until the conditions for entitlement, measure and certainty have been met.

1.5 Expenditure

Costs are included in the statement of financial activities on an accruals basis inclusive of irrecoverable VAT.

Expenditure is analysed as follows:

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities. It included both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Costs of raising funds are incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the Charitable activities.

The allocation of support costs, overheads and governance costs are analysed in note 6.

All costs are allocated between expenditure categories of the Statement of Financial Activity on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Others are apportioned based on estimated usage as a proportion of directly attributable expenditure.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	2.5% straight line
Fixtures, fittings and equipment	33.33% straight line
Motor vehicles	20% straight line

1.7 Leasing and hire purchase commitments

Operating leases - rental payments under operating leases are charged on a straight-line basis over the term of the lease.

1.8 Pensions

The Charity runs a defined contribution scheme and workplace pensions. A charge is made against expenditure for the amounts payable in respect of the accounting period.

1.9 Voluntary work

All the Trustees donate their time spent running the charity on a voluntary basis and do not receive any remuneration for their work. The charity also relies on volunteers to assist with its activities.

SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

1.10 Taxation

The trust is a Registered Charity (number 1053354). All activities are undertaken to fulfil the primary objectives of the Charity and are therefore exempt under Part 11 of the Corporation Tax Act 2010.

2. Donations and gifts

	Unrestricted funds	Restricted funds	Total 2017	<i>Total 2016</i>
	£	£	£	£
Donations and gifts	<u>79,612</u>	<u>3,000</u>	<u>82,612</u>	<u>82,110</u>

The restricted donations and grants are detailed in note 16.

Comparatives for Restricted Funds

In 2016, £15,478 of donations and gifts were received as restricted income towards leisure, the allotment, shop refurbishment, van livery, the games room and bathroom materials. In 2016, £10,376 was expended against those restricted funds.

3. Investment income

	2017	<i>2016</i>
	£	£
Rental income	72,329	<i>70,921</i>
Interest receivable	491	<i>930</i>
	<u>72,820</u>	<u><i>71,851</i></u>

4. Shop and Café Income

	2017	<i>2016</i>
	£	£
Shop income	581,511	<i>511,404</i>
Café income	112,354	<i>112,990</i>
Accommodation contributions	283,492	<i>281,215</i>
	<u>977,357</u>	<u><i>905,609</i></u>

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

5. Total unrestricted resources expended

	Staff costs	Depreciation	Other Costs	Total 2017	Total 2016
Shops, café and Companion support					
Activities undertaken directly	129,115	-	424,530	553,645	526,164
Support costs	212,645	51,326	240,488	504,459	543,600
	<u>341,760</u>	<u>51,326</u>	<u>665,018</u>	<u>1,058,104</u>	<u>1,069,764</u>

The expenditure on restricted donations and grants received is detailed in note 16.

6. Support costs

	2017 £	2016 £
Premises costs	140,245	142,055
Management and administration	61,820	60,482
Staff costs	212,645	232,018
Depreciation	51,326	56,102
Solidarity	32,253	37,252
Audit and accountancy fees	5,650	5,500
VAT annual adjustment	520	10,191
	<u>504,459</u>	<u>543,600</u>

Accountants' remuneration of £5,650 constitutes Audit and accountancy fees (2016: £5,500).

The support costs of the Charity have been classified into the above seven categories.

7. Trustees

All the Trustees (or any persons connected with them) except one, received any remuneration during the year. Refer to note 19.

No Trustees were reimbursed for any travel expenses during the year (2016: Four Trustees, totalling £279).

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

8. Employees

Number employees

The average monthly number of employees during the year was:

	2017	2016
Management and administration	13	11

Employment costs

	2017	2016
	£	£
Wages and salaries	307,542	315,200
Social security costs	26,336	27,891
Other pension costs	7,882	6,269
	341,760	349,360

There were no employees whose annual remuneration was £60,000 or more.

9. Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2016	1,170,844	371,324	87,022	1,629,190
Additions	-	8,391	-	8,391
At 31 March 2017	1,170,844	379,715	87,022	1,637,581
Depreciation				
At 1 April 2016	344,144	341,961	74,848	760,953
Charge for the year	29,231	20,759	2,998	52,988
At 31 March 2017	373,375	362,720	77,846	813,941
Net book value				
At 31 March 2017	797,469	16,995	9,176	823,640
At 31 March 2016	826,700	29,363	12,174	868,237

The property was valued for insurance purposes at £7,545,834 in 2012.

In the event of the freehold property being disposed of or the Charity being wound up, the former owner has the right to receive a proportion of the proceeds.

SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

10. Debtors

	2017	2016
	£	£
Trade debtors	4,147	1,413
Other debtors	13,383	12,596
Prepayments and accrued income	41,000	43,756
Taxes and social security costs	7,403	3,426
	<u>65,933</u>	<u>61,191</u>

11. Creditors

	2017	2016
	£	£
Bank loans	6,235	4,425
Quaker Housing Trust loan	3,209	3,209
Trade creditors	65,895	44,280
Taxes and social security costs	9,333	-
Other creditors	24,649	36,325
Accruals	17,235	10,123
	<u>126,556</u>	<u>98,362</u>

12. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans	99,700	107,745
Quaker Housing Trust loan	12,839	16,048
Emmaus Enterprises	30,000	50,000
	<u>142,539</u>	<u>173,793</u>

Analysis of loans

Wholly repayable	151,983	131,427
Included in current liabilities	(9,444)	(7,634)
	<u>142,539</u>	<u>123,793</u>

Loan maturity analysis

Debt due in one year or less	9,772	7,634
In more than one year but not more than two years	40,057	7,634
In more than two years but not more than five years	31,996	16,484
In more than five years	70,158	99,675
	<u>151,983</u>	<u>131,427</u>

13. Creditors: amounts falling due after more than one year (continued)

The bank loan is secured by way of first fixed legal charge, dated 29 September 2009, with full title guarantee over the freehold interest in the freehold property known as 18 & 20 Drove Road, Portslade, Brighton, BN41 2PA.

Within other creditors in note 12 is £16,048 (2016: £19,257) in relation to a loan from The Quaker Housing Trust. The purpose of the loan was to assist with the costs of refurbishing the cottages and the rewiring project. The loan is interest free, unsecured and repayable over 10 years.

Also, within other creditors in note 12 is £30,000 (2016: £50,000) in relation to a loan arranged by Emmaus UK. The purpose of the loan was assist with the costs of renovating the Greenhouse. Interest is paid quarterly in arrears. The loan is unsecured and repayable by October 2018.

14. Pensions and other post-retirement benefit commitments

Defined contribution

Pension contributions due at the year-end amounted to £1,906 (2016: £1,047).

	2017	2016
	£	£
Contributions payable by the Company for the year end	<u>7,882</u>	<u>6,269</u>

15. Control relationships

The Charity is controlled by its Trustees.

SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

16. Fund movements

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2016	Incoming resources	Resources expended	Transfers	Balance at 31 March 2017
	£	£	£	£	£
Unrestricted funds					
Undesignated					
General fund	885,703	1,124,389	1,051,823	-	958,269
Designated funds					
Leisure fund	515	-	415	-	100
Companion document fund	751	-	466	-	285
Shop refurbishment	-	3,000	3,000	-	-
Laundry	-	2,400	2,400	-	-
	<u>886,969</u>	<u>1,129,789</u>	<u>1,058,104</u>	<u>-</u>	<u>958,654</u>
Restricted funds					
Chapel entrance and catering equipment fund	1,009	-	716	159	452
Flint wall fund	873	-	-	-	873
Greenhouse fund	3,250	-	-	-	3,250
Sundial fund	100	-	-	-	100
Fishing fund	20	-	20	-	-
Games room fund	503	-	269	-	234
Café furniture fund	296	-	74	-	222
Van livery fund	1,040	-	-	-	1,040
Shop flooring fund	522	-	522	-	-
Amex fund	166	-	166	-	-
Washing machine fund	-	2,000	667	-	1,333
Hotplate fund	-	1,000	280	(159)	561
	<u>7,779</u>	<u>3,000</u>	<u>2,714</u>	<u>-</u>	<u>8,065</u>
	<u><u>894,748</u></u>	<u><u>1,132,789</u></u>	<u><u>1,060,818</u></u>	<u><u>-</u></u>	<u><u>966,719</u></u>

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

16. Restricted funds (continued)

Chapel entrance and catering fund – Funds were received from Three Oaks Trust for costs in relation to the repairs of the chapel main entrance and also catering equipment for the care of Companions.

Flint wall funds – Anonymous funds were received and are being held for repairs of the flint walls.

Greenhouse – Funds have been received to support the Greenhouse Project.

Sundry funds – A small balance is being held to be spent on sundry items such as fishing and the sundial.

Games room fund – Funds of £503 were received from The Brighton Pupil Referral Unit to be spent on equipment for the games room.

Cafe furniture – Funds received from the Argus Appeal to put towards café tables and chairs.

Van livery fund – Funds of £2,000 were received from Shoreham Port Authority to utilise on van livery. Of this fund, £1,040 remains to be spent.

Shop refurbishment fund – Funds of £7,300 were donated partly by American Express and partly by an anonymous individual. £1,000 of this related to shop flooring.

Washing machine fund and Hotplate fund – Donations of £3,000 were received towards fixed assets. The depreciation in relation to these is allocated to the fund in order to spread it out over the assets' useful economic life.

17. Commitments under operating leases

At 31 March 2017 the Company had total future minimum lease commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2017	2016	2017	2016
	£	£	£	£
Expiry date:				
Within one year	35,000	8,125	719	719
Between two and five years	78,750	-	338	338
	113,750	8,125	1,057	1,057

**SUSSEX EMMAUS
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

18. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Tangible fixed assets	820,314	3,326	823,640
Current assets	407,435	4,739	412,174
Creditors: amounts falling due within one year	(126,556)	-	(126,556)
Creditors: amounts falling due after more than one year	(142,539)	-	(142,539)
	<u>958,654</u>	<u>8,065</u>	<u>966,719</u>

19. Related parties

During the year the Charity made payments of £19,732 (2016: £4,764) to 7 Creative, a Company under control of Simon Bottrell, a Trustee of Sussex Emmaus, for the provision of professional services in relation to branding, signage, events and the website.

The Charity deems key management personnel to be Trustees and members of staff that attend Board meetings. The staff that do, comprise of:

Christine Squince
Mathieu Delarue
Joel Lewis

Total remuneration of key management personnel: £103,001