

Registered number: 03130876
Charity number: 1053354

Sussex Emmaus
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 March 2018

Sussex Emmaus
(A company limited by guarantee)

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Reference and administrative details of the company, its trustees and advisers
For the year ended 31 March 2018

Trustees

Dr G Jones OBE DL, Chair
S Bottrell (resigned 31 May 2018)
J McLean
P Mernagh-Thompson
F Morris
G Price
F Harrison
E Thomas-Hancock (appointed 25 October 2017, resigned 4 March 2018)
P Daniel, Treasurer
P Mitchell (appointed 1 July 2018)

Company registered number

03130876

Charity registered number

1053354

Registered office

Emmaus, Drove Road, Portslade, East Sussex, BN41 2PA

Company secretary

M J Noble (appointed 25 October 2017)

Chief executive officer

C Squince

Independent auditors

Kreston Reeves LLP, One Jubilee Street, Brighton, East Sussex, BN1 1GE

Bankers

Lloyds Banking Group plc, PO BOX 2898, East Sussex, BN1 1PX

CAF Bank Ltd, Kings Hill, West Malling, Kent, ME19 4TA

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Trustees' report
For the year ended 31 March 2018

The Trustees present their annual report together with the audited financial statements of Sussex Emmaus for the period 1 April 2017 to 31 March 2018. 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 and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the Company qualifies as small under section 383, the strategic report required of medium and large Companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

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

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

b. Activities for achieving objectives

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

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Trustees' report (continued)
For the year ended 31 March 2018

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 Manager 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 53 Companions. 46 reside in the Main Building, and 2 in one of the cottages and 5 in a second cottage 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.

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.

The maintenance projects undertaken throughout the year included:

- Decoration of a number of Companion bedrooms.
- Decoration of a corridor on the second floor of the main building which link Companions bedrooms to the Community.
- Extensive refurbishment of one of the cottages, Manor Cottage in Drove Road. The work included reconfiguration of the bedrooms and living spaces, replacement of a single bathroom with 2 shower rooms, new boiler, replacement of a part of the roof, new windows and doors, decoration throughout, new carpets and fittings. The cottage provides accommodation for 5 Companions along with a guest suite.
- Continued refurbishment to existing bathrooms and shower rooms.
- Grounds maintenance.

The Secondhand Superstore and Emporium remain the main retail selling areas and offer a wide selection of furniture, household goods, linen, clothing, books, CDs and DVD's. 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.

The Greenhouse shop is in 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 warehouse and main sorting area was relocated during the year into the undercroft below the Secondhand Superstore. A new drop off point for donated goods has been created.

The relocation of the warehouse enabled the existing space to be refurbished by The WoodStore and thus created a new retail business operated by the WoodStore which opened in February 2018.

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The shops have built a strong, loyal customer base but we 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, has been operating for four years. The shop sells furniture, household goods, clothing, linen, books, music and plants. It is benefiting 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
- Working in partnership with St Vincent de Paul to supply goods to people on low income
- Beach cleaning
- Supplying materials to Sew Fabulous
- Companions completing the Brighton Marathon and raising funds for the Blinds Veterans
- Supporting Emmaus St Albans on trips to the migrant camps near Calais
- Supplying spectacles to Vision Aid

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 2018 there were 48 people who volunteer at the Community on a regular basis.

Emmaus Hastings & Rother

Part of the Emmaus ethos is a commitment to support neighbouring Communities. We continue to work very closely with Emmaus Hastings and Rother and learn from each other, where possible.

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.

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c. Main activities undertaken to further the charity's purposes for the 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.

Achievements and performance

a. Review of activities

Income

Income and resources from generating funds

The overall income for the year was £1,236,999 (2017 - £1,132,789).

Voluntary Income

The charity received grants and donations totalling £101,248 during the period (2017 - £82,612) of which £49,035 was restricted (2017 - £3,000).

Investment Income

The charity benefited from investment income totalling £61,027 (2017 - £72,820). 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 site. One was let on a shorthold lease from 2004 until July 2017. It is now being used to house 5 Companions. The second cottage houses two Companions and the third is used for staff accommodation.

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

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 £768,740 (2017 - £693,865). 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.

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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 £305,984 (2017- £283,492).

Expenditure

Overall expenditure on continuing operations was £1,136,609 (2017 - £1,060,818).

There were capital additions totalling £110,630 (2017 - £8,391), which was spent on investment in infrastructure.

Implications of Universal Credit

On 9 August 2018 the Government announced a revision of its proposals on the availability of Housing Benefit paid directly to providers of Supported Housing. Instead of replacement in 2020 by the Universal Credit system, direct payment of Housing Benefit on behalf of beneficiaries to providers of Supported Housing will continue. As provider of Supported Housing, Sussex Emmaus should therefore continue to receive direct payment of Housing Benefit on behalf of Companions. New conditions may apply that have yet to be announced.

The earlier proposal to introduce Universal Credit for beneficiaries of Supported Housing would have had a dramatic impact on the way in which Companions receive Housing Benefit, and would have required them to present for work in a much more rigorous way. This had potential to fundamentally change the basis of our existing relationship with our Companions.

While the retention of Housing Benefit for providers such as Emmaus permits us to retain our ethos and model for the foreseeable future, risks to our income remain. Our developing Strategic Plan adopts the premise that the only effective way to mitigate those risks, or compensate for possible loss of income through reforms to social security benefits, is to extend our trading on our existing sites but, perhaps more importantly, by opening new trading venues in Brighton and Hove, and perhaps further afield, in conjunction where feasible with other Emmaus Communities, and with other organisations with like minded values. By generating additional income it should be possible to protect our Community against losses from uncertain external funding. We would thus preserve and enhance greater flexibility in the way we can work with Companions in their journey back into "society" or, in some cases, allow us to continue to provide a long term home for those most vulnerable.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Financial risk management objectives and policies

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.

c. 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

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health and safety expenditure, difficult or volatile trading conditions, and the risk of sudden reduction of income from accommodation contributions if there were to be further change in the benefits system.

Between three and four 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, without credit for unsecured long-term liabilities owed to charitable institutions.

The target for such reserves should be a range between the equivalent of 3 months and 4 months of expenditure from unrestricted funds, as set out in the budget. Secured 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 £255,599 at 31 March 2018 (2017 £277,553) which equates to approximately three months. The Board has the policy under regular review. Reserves fell below our desired policy due to cash flow fluctuations, allocation of restricted funds for the cottage and irrecoverable VAT.

Structure, governance and management

a. Constitution

The Company is registered as a Charitable Company limited by guarantee and was set up by a Memorandum of Association on 27/11/1995 .

The Company is constituted under a Memorandum of Association dated 27/11/1995 and is a registered charity number 1053354.

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".

b. Method of appointment or election of Trustees

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

c. Policies adopted for the induction 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.

Over the next year the Board will be losing a number of very experienced members and we will shortly be embarking upon a programme of Trustee recruitment by reference to skills and experience identified to ensure we have a Board which is fit for purpose.

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 along with Charity Commission guidelines. 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.

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Trustees' report (continued)
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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
- Fundraising

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 15 November 2017 the Board of Trustees held its annual review meeting. The main focus for this meeting was Universal Credit. Following an update on the most available information, the Board used a workshop session to consider the likely impact on three notional future scenarios. The outcomes of which are being taken forward in the Boards' strategic planning from 2019.

It is the Board's intention to maximise the use of its Drove Road site, provide better living conditions for our increasing number of Companions and to develop other trading opportunities. Our long-term aim is to become a financially self-sufficient Community, while welcoming grants, donations and appropriate local government support that enable us to expand and improve our operations. A new strategic plan is being developed to mitigate risk and uncertainty that may arise in the medium to long term from changes in social security policies and instruments, and to further our key objectives. 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 set out in the Charity Governance Code.

The board supports and applies the seven principles which make up the Code. We are currently reviewing our processes and procedures against the recommended practices set out in the Code which underpin each of such principles. Save where it is not beneficial or proportionate for us to do so at our stage of development and maturity, we will be looking to adopt during the course of our financial year 2018/2019 any of the recommended practices not currently followed.

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.

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d. Organisational structure and decision making

The Trustees

The following served as Trustees during the year:

Simon Bottrell
Philip Daniel
Frances Harrison
Dr Glynn Jones OBE DL
John McLean
Fiona Morris
Patricia Mernagh-Thompson
Gwyn Price
Emma Thomas-Hancock (co-opted 21 January 2017 appointed 25 October 2017, resigned 4 March 2018)

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.

No additional Trustees were appointed during the year.

One Trustee resigned during the year.

We were very sorry to lose Emma Thomas-Hancock after such a short time on the Board. Unfortunately the considerable demands of a new and very responsible appointment made it very difficult to fulfil the increasing time pressures on our Trustees and she decided to step down during the year. I would like thank Emma for her time and commitment on the Board and also as a former volunteer. We wish her well.

One Trustee, Simon Bottrell retired from post on 31 May 2018. Pam Mitchell will be co-opted to the Board at the meeting on 25 July 2018.

Simon Bottrell joined the Board on 29 October 2014 having worked in a voluntary and paid capacity as adviser to the Community for a number of years. He brought to the Board considerable knowledge and skills of working within the voluntary and community sector, particularly on strategy development, communications and marketing. He resigned from the Board on 31 May 2018 in order to work with the Board as a consultant. In this paid role he will be advising on the development and implementation of our new strategic plan, Direction 2020. We are grateful that he has also indicated a wish to continue working with the Community as a volunteer.

Pam Mitchell joined the Board on the 25 July 2018 after working in the Community in a voluntary capacity on the recruitment and development of volunteers and the support of Companions. Pam brings to the Board very considerable experience of working in a paid and voluntary capacity with a number of charitable and voluntary organisations in the City and beyond. We are delighted to have her as a member of the Board.

The Board is committed to having Companions present at each Board meeting, One Companion has been appointed to this role and will serve a term of three years. It is the Board's intention to appoint a second Companion by the end of the year.

At the AGM in October 2017, Richard Woodman resigned as Company Secretary. Richard served the Board loyally since July 2012. Richard was a tremendous asset to the Board and the Community as a whole. His skills and experience were of enormous value to the Community particularly on governance and on property issues. Richard continues to advise us on property matters and we are greatly indebted to him.

At the same meeting the Board and members appointed Mike Noble as Company Secretary. We are delighted to welcome Mike to our Board at a time of considerable change in governance. He comes to us following a very

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successful time as Company Secretary at a nationally known company and we welcome him, particularly at a time of challenge and change for the Board.

e. 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.

At the time of the Annual General Meeting in October 2017, there were 62 members, comprising:

- 17 Companions
- 9 Trustees
- 10 employees
- 8 volunteers
- 18 others including Emmaus UK and former Trustees

Employment of Staff

There were 13 members of staff employed during the year, all but one being a full time post.

Three members of staff were appointed to the staff team during the year. Stephen Hatchard as a part time Van Driver three days per week, Anton Przybysz as a Maintenance Worker and Jane Davies as Retail Manager at Emmaus by the sea.

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. Mathieu Delarue tendered his resignation and retired from the Community on 25 April 2018 after 14 years as Community Leader. We wish Mathieu well in his retirement and thank him for his years of dedicated service.

Nick Eaton was appointed Community Manager and took up his post in May 2018. We are delighted to welcome Nick to the Community. He brings with him considerable experience which will be invaluable in our plans to improve still further the training, development and support for our Companions.

A Committee of Management meets 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.

f. Risk management

The Board acknowledges its responsibility to identify, assess and manage risks. 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.

The Charity maintains a risk register and reviews it on a regular basis. In addition to any possible risk from future changes in the benefits system, and the successful implementation of our developing Strategic Plan, referred to elsewhere in this report, the Trustees have identified the following key risks the Charity is currently facing:

- the meeting of financial targets
- compliance with the Charity Governance Code

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- maintaining the skills, relationships and commitment of the Trustee body
- achievement of sufficient claims under Gift Aid
- compliance with the General Data Protection regulation

Plans for future periods

a. Future developments

We have been undertaking a very detailed survey of our Drove Road site so as to better understand its potential future uses and the likely cost and the opportunities open to the Community. We would like to pay particular tribute to Trustee John Mclean who has invested tremendous time skill and energy into this work to date. In particular, Trustee Simon Bottrell has devoted considerable time and research into our new strategic plan Direction 2020. This plan will aim to provide the Community with a renewed "road map" for a successful future that protects the Community, in particular, from uncertainty about the future direction or implications of Universal Credit, and thus our current revenue from accommodation contributions.

We will keep under review our current partnership with The WoodStore and will continue to explore other partnerships with other like-minded organisations. We will review the current usage of existing on site cottage accommodation to say how best to maximise income or additional Companion accommodation.

Our new Community Manager is charged with significantly enhancing the training and development and other support for our increasing Community of Companions so as to prepare and strengthen them for the future in what is clearly an increasingly challenging external environment.

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

Information on fundraising practices

New guidelines under the Charities (Protection and Social Investment) Act 2016 came into effect on the 1st November 2016. The alert was to inform fundraisers and the trustees of charities of the new provisions of protecting the public.

As a responsible charity, we have adequate systems and processes in place to demonstrate our commitment to protecting donors and the public, including vulnerable people, from poor fundraising practices.

As part of the new law, the fundraising standards form part of the agreements between the trust and any commercial participators including professional fundraisers with whom we underatke any work.

Trustees' responsibilities statement

The Trustees (who are also directors of Sussex Emmaus for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;

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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure 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 relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. At the Annual General Meeting in October 2017, Kreston Reeves LLP were reappointed as Auditors.

This report was approved by the Trustees, on _____ and signed on their behalf by:

.....
DR G Jones OBE DL
Trustee

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Independent auditors' report to the members of Sussex Emmaus

Opinion

We have audited the financial statements of Sussex Emmaus (the 'charitable company') for the year ended 31 March 2018 set out on pages 17 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2018 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 Charities Act 2011.

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 United Kingdom, including the Financial Reporting Council'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.

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Independent auditors' report to the members of Sussex Emmaus

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 Auditors' report 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Sussex Emmaus
(A company limited by guarantee)

Independent auditors' report to the members of Sussex Emmaus

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an Auditors' report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sussex Emmaus
(A company limited by guarantee)

Independent auditors' report to the members of Sussex Emmaus

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

One Jubilee Street
Brighton
East Sussex
BN1 1GE
Date:

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Sussex Emmaus
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the year ended 31 March 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:					
Donations and gifts	2	52,213	49,035	101,248	82,612
Shops, café and accomodation contributions	3	1,074,724	-	1,074,724	977,357
Investments	5	61,027	-	61,027	72,820
Total income and endowments		1,187,964	49,035	1,236,999	1,132,789
Expenditure on:					
Shops, cafe and companion support costs		1,116,962	19,647	1,136,609	1,060,818
Total expenditure	8	1,116,962	19,647	1,136,609	1,060,818
Net income before other recognised gains and losses		71,002	29,388	100,390	71,971
Net movement in funds		71,002	29,388	100,390	71,971
Reconciliation of funds:					
Total funds brought forward		958,654	8,065	966,719	894,748
Total funds carried forward		1,029,656	37,453	1,067,109	966,719

The notes on pages 20 to 34 form part of these financial statements.

There are no other recognised gains or losses other than those reported on the Statement of financial activities.

Sussex Emmaus
(A company limited by guarantee)
Registered number: 03130876

Balance sheet
As at 31 March 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		873,988		823,640
Current assets					
Debtors	13	59,375		65,933	
Cash at bank and in hand		378,021		346,241	
			<u>437,396</u>	<u>412,174</u>	
Creditors: amounts falling due within one year	14	(141,880)		(126,556)	
Net current assets			<u>295,516</u>		285,618
Total assets less current liabilities			<u>1,169,504</u>		<u>1,109,258</u>
Creditors: amounts falling due after more than one year	15		<u>(102,395)</u>		<u>(142,539)</u>
Net assets			<u><u>1,067,109</u></u>		<u><u>966,719</u></u>
Charity Funds					
Restricted funds	16		37,453		8,065
Unrestricted funds	16		1,029,656		958,654
Total funds			<u><u>1,067,109</u></u>		<u><u>966,719</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2018, although an audit has been carried out under section 144 of the Charities Act 2011.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on _____ and signed on their behalf, by:

.....
DR Jones OBE DL

The notes on pages 20 to 34 form part of these financial statements.

Sussex Emmaus
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>111,098</u>	<u>73,780</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		61,027	72,820
Purchase of tangible fixed assets		<u>(110,600)</u>	<u>(8,391)</u>
Net cash (used in)/provided by investing activities		<u>(49,573)</u>	<u>64,429</u>
Cash flows from financing activities:			
Repayments of borrowings		<u>(29,745)</u>	<u>(29,443)</u>
Net cash used in financing activities		<u>(29,745)</u>	<u>(29,443)</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		<u>31,780</u>	108,766
		<u>346,241</u>	<u>237,475</u>
Cash and cash equivalents carried forward	20	<u><u>378,021</u></u>	<u><u>346,241</u></u>

The notes on pages 20 to 34 form part of these financial statements.

Sussex Emmaus
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

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), the Charities SORP (FRS 102), and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Sussex Emmaus meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. Membership of the company is also open to Companions, volunteers and employees who have served six months with the Community. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The registered office and principal place of business of the charity is:

Emmaus
Drove Road
Portslade
East Sussex
BN41 2PA

1.3 Going concern

At the time of approving the financial statements, the Trustees have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements
For the year ended 31 March 2018

1. Accounting policies (continued)

1.4 Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations 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.

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.

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.

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 accrual basis inclusive of irrecoverable VAT.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

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

Notes to the financial statements
For the year ended 31 March 2018

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

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

Freehold property	-	Consisting of; - Freehold property 2.5% straight line - Cottage 5% straight line - Carpark 10% straight line - Emmaus by the Sea 16.67% straight line
Motor vehicles	-	20% straight line
Fixtures, fittings and equipment	-	33.33% straight line

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Sussex Emmaus
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

1. Accounting policies (continued)

1.13 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.

1.14 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.15 Fund accounting

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

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

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

1.16 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.

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations and gifts	52,213	49,035	101,248	82,612
Total 2017	79,612	3,000	82,612	

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Shops, Cafe and Accommodation Contributions	1,074,724	-	1,074,724	977,357
Total 2017	977,357	-	977,357	

Sussex Emmaus
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

4. Analysis of income from charitable activities by type of income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Shop income	646,226	-	646,226	581,511
Cafe income	122,514	-	122,514	112,354
Accommodation contributions	305,984	-	305,984	283,492
	<u>1,074,724</u>	<u>-</u>	<u>1,074,724</u>	<u>977,357</u>
Total 2017	<u>977,357</u>	<u>-</u>	<u>977,357</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest Receivable	436	-	436	491
Rental income	60,591	-	60,591	72,329
	<u>61,027</u>	<u>-</u>	<u>61,027</u>	<u>72,820</u>
Total 2017	<u>72,820</u>	<u>-</u>	<u>72,820</u>	

6. Direct costs

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Companions expenses	149,000	-	149,000	146,624
Cafe & Shops	186,342	-	186,342	200,177
Community expenses	81,272	-	81,272	74,898
Other direct costs	4,243	18,249	22,492	5,543
Wages and salaries	124,259	-	124,259	118,427
National insurance	11,397	-	11,397	10,690
	<u>556,513</u>	<u>18,249</u>	<u>574,762</u>	<u>556,359</u>
Total 2017	<u>553,645</u>	<u>2,714</u>	<u>556,359</u>	

Sussex Emmaus
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

7. Support costs

	Shops, Cafe and Companion £	Total 2018 £	Total 2017 £
Premises costs	175,088	175,088	140,245
Management and administration	58,503	58,503	61,820
Solidarity	34,998	34,998	32,253
Audit and accountancy fees	5,725	5,725	5,650
VAT annual adjustment	16,779	16,779	520
Wages and salaries	183,603	183,603	189,117
National insurance	15,393	15,393	15,646
Pension cost	11,642	11,642	7,882
Depreciation	60,116	60,116	51,326
	<u>561,847</u>	<u>561,847</u>	<u>504,459</u>
Total 2017	<u>504,459</u>	<u>504,459</u>	

8. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Shops, Cafe and Companion support costs	<u>346,294</u>	<u>60,116</u>	<u>730,199</u>	<u>1,136,609</u>	<u>1,060,818</u>
Total 2017	<u>341,762</u>	<u>51,326</u>	<u>667,730</u>	<u>1,060,818</u>	

9. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	<u>56,541</u>	<u>52,988</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

1 Trustee received reimbursement of expenses amounting to £90 in the current year, (2017 - 0 Trustees - £NIL).

10. Auditors' remuneration

The Auditor's remuneration amounts to an audit and accounts fee of £5,725 (2016: £5,650).

Sussex Emmaus
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

11. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	307,862	307,544
Social security costs	26,790	26,336
Other pension costs	11,642	7,882
	<u>346,294</u>	<u>341,762</u>

The average number of persons employed by the company during the year was as follows:

	2018	2017
	No.	No.
Staff	11	11

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

12. Tangible fixed assets

	Freehold property	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 April 2017	1,170,844	87,022	379,715	1,637,581
Additions	82,043	26,145	2,442	110,630
Disposals	-	-	(4,369)	(4,369)
At 31 March 2018	<u>1,252,887</u>	<u>113,167</u>	<u>377,788</u>	<u>1,743,842</u>
Depreciation				
At 1 April 2017	373,375	77,846	362,720	813,941
Charge for the year	37,055	8,228	11,258	56,541
On disposals	-	-	(628)	(628)
At 31 March 2018	<u>410,430</u>	<u>86,074</u>	<u>373,350</u>	<u>869,854</u>
Net book value				
At 31 March 2018	<u>842,457</u>	<u>27,093</u>	<u>4,438</u>	<u>873,988</u>
At 31 March 2017	<u>797,469</u>	<u>9,176</u>	<u>16,995</u>	<u>823,640</u>

The property was valued for insurance purposes at £7,545,834 in 2012. However as per the accounting policy the property has been included at cost less accumulated depreciation.

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 financial statements
For the year ended 31 March 2018

13. Debtors

	2018	2017
	£	£
Trade debtors	3,031	4,147
Taxes and social security costs	2,454	7,403
Other debtors	11,486	13,383
Prepayments and accrued income	42,404	41,000
	<hr/> 59,375 <hr/>	<hr/> 65,933 <hr/>

14. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	6,634	6,235
Other loans	13,209	3,209
Trade creditors	47,765	65,895
Other taxation and social security	10,741	9,333
Other creditors	28,886	24,649
Accruals	34,645	17,235
	<hr/> 141,880 <hr/>	<hr/> 126,556 <hr/>

Within other loans is £10,000 (2017 due in more than one year: £30,000) 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.

Sussex Emmaus
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

15. Creditors: Amounts falling due after more than one year

	2018	2017
	£	£
Bank loan	92,765	99,700
Other loans	9,630	42,839
	<u>102,395</u>	<u>142,539</u>

Included within the above are amounts falling due as follows:

	2018	2017
	£	£
Between one and two years		
Bank loan	7,062	6,848
Other loans	3,209	33,209
Between two and five years		
Bank loan	23,223	22,366
Other loans	6,421	9,630
Over five years		
Bank loan	62,480	70,486

Creditors include amounts not wholly repayable within 5 years as follows:

	2018	2017
	£	£
Repayable by instalments	62,480	70,486

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 loans is £9,630. (2017: £12,839) 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.

Sussex Emmaus
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds					
Leisure fund	100	1,000	(684)	-	416
Companion document fund	285	-	(285)	-	-
Fixed Asset fund	-	-	-	773,641	773,641
	<u>385</u>	<u>1,000</u>	<u>(969)</u>	<u>773,641</u>	<u>774,057</u>
General funds					
General Fund	958,269	1,186,964	(1,115,993)	(773,641)	255,599
Total Unrestricted funds	<u>958,654</u>	<u>1,187,964</u>	<u>(1,116,962)</u>	<u>-</u>	<u>1,029,656</u>
Restricted funds					
Chapel entrance and catering equipment - Fixed Asset Fund	452	-	(452)	-	-
Flint wall fund	873	-	(540)	-	333
Greenhouse fund	3,250	-	-	-	3,250
Sundial fund	100	-	-	-	100
Games room fund	234	-	(234)	-	-
Cafe furniture fund	222	-	(222)	-	-
Van livery fund	1,040	-	(1,008)	-	32
Washing machine - Fixed Asset Fund	1,333	-	(666)	-	667
Hotplate - Fixed Asset Fund	561	-	(280)	-	281
Manor cottage fund	-	49,035	(16,245)	-	32,790
	<u>8,065</u>	<u>49,035</u>	<u>(19,647)</u>	<u>-</u>	<u>37,453</u>
Total of funds	<u><u>966,719</u></u>	<u><u>1,236,999</u></u>	<u><u>(1,136,609)</u></u>	<u><u>-</u></u>	<u><u>1,067,109</u></u>

Statement of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
Designated funds					
Leisure	515	-	(415)	-	100
Companion document	751	-	(466)	-	285
Shop refurbishment	-	3,000	(3,000)	-	-
Laundry	-	2,400	(2,400)	-	-
	<u>1,266</u>	<u>5,400</u>	<u>(6,281)</u>	<u>-</u>	<u>385</u>
General fund	<u>885,703</u>	<u>1,124,389</u>	<u>(1,051,823)</u>	<u>-</u>	<u>958,269</u>

Sussex Emmaus
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2018

16. Statement of funds (continued)

Restricted funds

Chapel entrance and catering equipment - Fixed Asset Fund	1,009	-	(716)	159	452
Flint wall	873	-	-	-	873
Greenhouse	3,250	-	-	-	3,250
Sundial	100	-	-	-	100
Fishing	20	-	(20)	-	-
Games room	503	-	(269)	-	234
Cafe furniture	296	-	(74)	-	222
Van livery	1,040	-	-	-	1,040
Shop flooring	522	-	(522)	-	-
Amex fund	166	-	(166)	-	-
Washing machine - Fixed Asset Fund	-	2,000	(667)	-	1,333
Hotplate fund - Fixed Asset Fund	-	1,000	(280)	(159)	561
	<u>7,779</u>	<u>3,000</u>	<u>(2,714)</u>	<u>-</u>	<u>8,065</u>
Total of funds	<u>894,748</u>	<u>1,132,789</u>	<u>(1,060,818)</u>	<u>-</u>	<u>966,719</u>

Summary of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds	385	1,000	(969)	773,641	774,057
General funds	958,269	1,186,964	(1,115,993)	(773,641)	255,599
	<u>958,654</u>	<u>1,187,964</u>	<u>(1,116,962)</u>	<u>-</u>	<u>1,029,656</u>
Restricted funds	8,065	49,035	(19,647)	-	37,453
	<u>966,719</u>	<u>1,236,999</u>	<u>(1,136,609)</u>	<u>-</u>	<u>1,067,109</u>

Summary of funds - prior year

	Balance at 1 April 2016 £	Income £	Expenditure £	Balance at 31 March 2017 £
Designated funds	1,266	5,400	(6,281)	385
General funds	885,703	1,124,389	(1,051,823)	958,269
	<u>886,969</u>	<u>1,129,789</u>	<u>(1,058,104)</u>	<u>958,654</u>
Restricted funds	7,779	3,000	(2,714)	8,065
	<u>894,748</u>	<u>1,132,789</u>	<u>(1,060,818)</u>	<u>966,719</u>

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17. Details of Funds

Fixed asset fund

This fund represents the value of the freehold property less the associated loans.

Chapel entrance and catering equipment - Fixed Asset Fund

This fund represents the net book value of catering equipment. Each year depreciation is applied to this fund so as to write the assets off over their useful lives.

Flint wall fund

This fund was created to enable repairs and rebuilding works to be undertaken to flint walls around the Grade II listed Community site.

Greenhouse fund

This fund was created to enable the creation of the new garden business 'the Greenhouse' to allow for the transformation of the old boiler room and creation of an extended garden terrace with conservatory/greenhouse to be used for retail. As well as to build a polytunnel and create a community garden.

Sundial fund

To enable the creation of an analemmatic (human) sundial in the grounds.

Games room fund

This fund represents monies to enable the purchase of equipment for the games room used by Companions.

Cafe furniture fund

This fund represents the monies to work with the Wood Store to provide additional tables and seating for the outside café terrace.

Van livery fund

This fund was created to update the signage on the vans with the new Emmaus branding.

Washing machine - Fixed Asset Fund

This fund represents the net book value of a washing machine. Each year depreciation is applied to this fund so as to write the asset off over its useful life.

Hotplate - Fixed Asset Fund

This fund represents the net book value of a Hotplate. Each year depreciation is applied to this fund so as to write the asset off over its useful life.

Manor cottage fund

This fund represents the donations received in relation to the improvement works undertaken at Manor Cottage. Each year depreciation is allocated against the fund relating to the improvements in order to spend out the fund over the useful life of the improvements.

Shop Flooring Fund

This fund represents funds to have the parquet flooring restored during the main shop refurbishment work.

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Amex Fund

This fund represents funds to enable the refurbishment work in the main shop.

Leisure Fund

This fund is to provide the Companions with leisure activities.

Fishing Fund

This fund is to provide the Companions with fishing equipment.

Companion Document Fund

This is a fund to provide the Companions with documents, such as; birth certificates, passports and driving licences.

Shop Refurbishment Fund

This fund represents funds received to upgrade the interior and till point in the main shop.

Laundry Fund

This fund was created to purchase an industrial washing machine for the Companions laundry room.

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	873,040	948	873,988
Current assets	400,891	36,505	437,396
Creditors due within one year	(141,880)	-	(141,880)
Creditors due in more than one year	(102,395)	-	(102,395)
	<u>1,029,656</u>	<u>37,453</u>	<u>1,067,109</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	820,314	3,326	823,640
Current assets	407,435	4,739	412,174
Creditors due within one year	(126,556)	-	(126,556)
Creditors due in more than one year	(142,539)	-	(142,539)
	<u>958,654</u>	<u>8,065</u>	<u>966,719</u>

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For the year ended 31 March 2018

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2018	2017
	£	£
Net income for the year (as per Statement of Financial Activities)	100,390	71,971
Adjustment for:		
Depreciation charges	56,541	52,988
Dividends, interest and rents from investments	(61,027)	(72,820)
Loss on the sale of fixed assets	3,711	-
Decrease/(increase) in debtors	6,558	(4,742)
Increase in creditors	4,925	26,383
Net cash provided by operating activities	111,098	73,780

20. Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	404,839	367,748
Overdraft facility repayable on demand	(26,818)	(21,507)
Total	378,021	346,241

21. Pension commitments

Pension contributions due at the end of the year amounted to £1,812 (2017: £1,906). Total contributions payable by the charity for the year totalled £11,642 (2017: £7,882).

22. Operating lease commitments

At 31 March 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts payable:		
Within 1 year	36,066	35,719
Between 1 and 5 years	9,484	44,088
Total	45,550	79,807

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23. Related party transactions

During the year the Charity made payments of £6,543 (2017: £19,732) 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 and events. These transactions were completed at arms length.

During the year the Charity reimbursed expenses to one trustee totalling £90 (2017: £Nil). These were in relation to travelling expenses. At the year ended 31 March 2018 £nil (2017: £nil) was owed to trustees in respect of reimbursed expenses.

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: £108,856 (2017: £103,001)

24. Controlling party

The charity is controlled by its Trustees.