

3924340

Emmaus Turvey Limited
Emmaus Village Carlton

Financial Statements- 30 June 2003

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General Information

Patrons:

Mr Sam Whitbread
Lord Lieutenant of Bedfordshire

The Rt. Rev Richard N Inwood
Bishop of Bedford

The Rt. Rev Kevin MacDonald
Bishop of Northampton

Trustees:

Chrys Baldwin
Peter Baldwin
Warner Baxter
Roger Forrester
Brian Gibbons
Jerry Hartigan
George Hartigan
Dorothy Hendry
Shelagh Manley
David Pridmore
Jane Stewart
Anthony Woodhouse

Secretary: Warner Baxter

Registered Address: School Lane
Carlton
Bedfordshire MK43 7LQ

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

Bankers:

Barclays Bank plc
111 High Street
Bedford MK40 1NJ

CafCash Limited
Kings Hill
West Malling
Kent ME19 4TA

Registered Charity Number: 1083113
Registered Company Number: 3924340

TRUSTEES' REPORT

The Trustees present their report and the financial statements for the year ended 30 June 2003.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the relevant legislation. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CONSTITUTION

The company was incorporated on 11 February 2000 and is governed by its Memorandum and Articles of Association. The Company is limited by guarantee and has no share capital. The company is a registered charity and is affiliated to Emmaus UK.

OBJECTIVES

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

REVIEW OF DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS

The year under review began shortly after the official opening of the community at Carlton in May 2002. During this period a great deal of progress has been made. There is now a vibrant community of Companions and fully operational business working to support the community.

The growth in Companion numbers has been carefully managed to try and ensure that there is stability within the community. The site currently provides a home for twelve Companions and is poised for the next stage of development. A major building project is about to commence which will create accommodation for up to seventeen companions. This has been made possible thanks to the generous support of the **National Lottery Charities Board (Community Fund)** which has awarded us a grant of £298,000 after the year under review.

This will be an important step in allowing us to move towards our goal of housing up to 30 companions on site.

During the last financial year we have continued to invest in the renovation of parts of the site. We have been very fortunate in receiving significant support from grant-making bodies (the major grants are listed in the notes to the financial statements) and we would like to express our very sincere thanks to those involved in providing this financial support. We would also like to thank the many individuals whose generous donations have helped us in the period whilst we work towards becoming self-supporting.

A very significant success achieved during the year has been the strong growth of the business within the community. Both the sales of donated goods (including scrap) and the bistro sales have proved to be extremely successful in their first full year of operation. During the year sales amounted to £111,300 and since the year-end they have continued to grow. We are now very close to becoming fully self-supporting (in revenue terms). This has been thanks to a great deal of hard work and enthusiasm on the part of the Companions, the staff and volunteers. We would like to express our thanks to everyone whose efforts have achieved this tremendous success.

For a significant part of the year the Community operated without a paid Community Leader. Following the resignation of Cameron Thomson (the previous leader) for health reasons, there was a gap before the new joint Leaders, Maureen and Alan Barrett were able to join the community. We were very fortunate that the community and business were kept running smoothly through the services of highly dedicated volunteers: Anthony Woodhouse (Trustee) with help from George Hartigan (Trustee), John Creasey (consultant and volunteer) and others. Through their determination and hard work the project not only survived but flourished.

TRUSTEES (Also Directors of Emmaus Turvey Ltd)

The Trustees and Directors who served during the period under review until the date of approval of this report were as follows :

	Date of Appointment	Date of Resignation
Brian Gibbons	11.02.00	
George Hartigan	11.02.00	
Dom Gregory van der Kleij	11.02.00	14.11.02
Warner Baxter	01.03.01	
Jane Stewart	01.03.01	
Shelagh Manley	01.03.01	
Peter Baldwin	11.02.00	
Roger Forrester	11.02.00	
Patrick McGrath	11.02.00	14.11.02
David Pridmore	11.02.00	
Jerry Hartigan	11.02.00	
Dorothy Hendry	21.12.01	
Anthony Woodhouse	21.12.01	
Kuldip Rupra	21.12.01	14.11.02
Chrys Baldwin	21.12.01	

RISK ASSESSMENT

Risks

In accordance with the guidelines in the Charities Statement of Recommended Practice (SORP) the directors have considered the major risks affecting the company and have taken steps to mitigate these as far as possible.

The major areas of risk are currently considered to be the financial stability of the company and the area of Health and Safety within the community and business.

Reserves

The directors have attempted to safeguard the financial status of the charity by maintaining sufficient general reserves to subsidise the budgeted financial deficit for a period of at least six months. It was felt that this approach was prudent and appropriate in the early stage of operations while various income streams are built up within the business. Various financial controls and regular financial reporting procedures have been put in place.

The directors have undertaken a risk assessment of health and safety procedures within the community and workplace. This will remain an ongoing procedure for the company.

Investment policy

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

AUDITORS

Mercer & Hole who were appointed auditors in the year in place of Edward Bellamy & Co , have expressed their willingness to continue to act as Auditors and will be re-appointed at the Company's AGM.

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

A handwritten signature in black ink, appearing to read 'J Stewart', written in a cursive style.

Jane Stewart
Trustee

11.2.2004

On behalf of Emmaus Turvey Limited
School Lane
Carlton
Bedfordshire
MK43 7LQ

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF EMMAUS TURVEY LIMITED

We have audited the financial statements on pages 8 to 15 for the year ended 30 June 2003 which have been prepared under the historical cost convention and the accounting policies set out on page 11.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent by law, we do not accept responsibility to anyone other than the company's members as a body, for audit work, for this report, or for the opinions that we have formed.

Respective Responsibilities of Directors and Auditors

As described on page 3, the company's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the company's affairs at 30 June 2003 and of its incoming resources and application of resources including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, appearing to read 'Mercer & Hole', with a horizontal line underneath.

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

16.2.2004

Statement of Financial Activities for the Year Ended June 30 2003

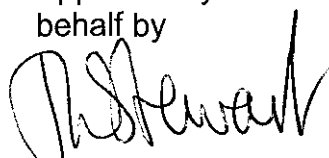
(including an Income and Expenditure Account)

	Notes	Total Unrestricted Funds £	Total Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
Incoming Resources					
Sales Income	2	111300	0	111300	11486
Rent	3	53122	0	53122	13179
Donations/fundraising events		30619	0	30619	72637
Grants (Revenue)		0	0	0.00	10555
Grants (Development)		30000	26000	56000	185000
Insurance Claim		0	0	0	4403
Bank Interest		2608	1243	3852	9552
Intangible Income	4	300	0	300	600
Total Incoming Resources		227951	27243	255194	307411
Costs of Carlton Operation					
Expenditure in furtherance of Charity's Objects					
Community Support Costs	5	39029	8	39037	12472
Repairs and Maintenance	6	6192	29270	35462	131008
Cost of Sales		20657	1285	21942	5253
Employment Costs	7	46331	6359	52690	29144
Transport		8973	0	8973	8678
Premises (Inc Rates & Insurance)		26522	12	26534	12727
Utilities		16734	0	16734	12366
Telecoms		1881	(181)	1700	4765
Depreciation		6488	2900	9388	9389
Total Operating Expenditure		172807	39653	212460	225802
Management and Administrative Costs					
Employment Costs	7	3380	0	3380	5437
Premises (Inc Rates/Insurance)	8	4013	0	4013	1414
Transport		2418	0	2418	1415
Utilities		1859	0	1859	1374
Telecoms		806	(78)	728	2042
Professional Fees		17837	0	17837	19663
Postage/ Office Supplies/Sundry		3120	0	3120	2060
Total Management and Administration	8	33433	(78)	33355	33406
Total Exp. in furtherance of Charity's Objects		206240	39575	245815	259208
Cost of Generating funds					
Employment Costs		0	0	0	0
Printing/Post /Stationary		720	0	720	2895
Professional Fees		3659	0	3659	5523
Total Expenditure re Generating Funds		4379	0	4379	8418
Total Resources Expended		210619	39575	250194	267626
Net Incoming Resources		17332	(12332)	5000	39785
Fund bal b/fwd at 31.7.02		89091	54725	143816	104031
Fund bal. C/fwd at 30.6.03		106423	42393	148816	143816

Emmaus Turvey Limited
Balance Sheet as at June 30 2003

	<u>Notes</u>	<u>30.6.2003</u>	<u>30.6.2002</u>
		£	£
Tangible Fixed Assets	13	0	9388
Current Assets			
Cash at Bank and in Hand		158579	153072
Debtors	11	3495	0
Creditors			
Amounts Falling Due within One Year	12	13258	18644
Net Current Assets		<u>148816</u>	<u>143816</u>
Net Assets		<u>148816</u>	<u>143816</u>
Accumulated Funds			
Unrestricted Funds		76423	89091
Designated Funds	15	30000	-
Restricted Funds	14	42393	54725
		<u>148816</u>	<u>143816</u>

Approved by the Board of Trustees and Directors on 11th Feb 04 and signed on its behalf by



Jane Stewart
Trustee

The notes on pages 11 to 15 form part of these accounts.

Emmaus Turvey Limited

Notes to the Financial Statements

For the year ended 30 June 2003

1. Accounting Policies

The financial statements are prepared under the historical cost basis and in accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities 2000), and applicable accounting standards. The accounts are prepared on an accruals basis.

Fund Accounting

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

Incoming Resources

Incoming resources are recognised at the point of receipt of monies.

Resources Expended

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

Depreciation

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

-Equipment, Motor Vehicles – 50% straight line

Accounting for VAT

During the year agreement was reached with HM Customs and Excise regarding the treatment of Housing Benefit. It was agreed that this should be treated as Exempt income. The company's VAT year end is currently 31st May. Because it is necessary to perform an end year adjustment (related to the VAT partial exemption rules) it is not yet known what VAT will ultimately be reclaimable for the month of June 2003. Hence the directors have not deducted any VAT from costs incurred during this month. They have, however, accounted for VAT due to Customs on sales during the month.

2. Sales, which are recorded net of VAT, are analysed as follows:

	<u>2003</u>	<u>2002</u>
	£	£
- Sale of Donated/Recycled Goods	77954	11486
- Bistro	32980	-
- Other VATable	366	-
-Total	111300	11486

3. Rent received comes from a number of sources analysed as follows:

	<u>2003</u>	<u>2002</u>
	£	£
- Rent from Companions' Housing Benefit	49620	13179
- Rent from Companions' Supporting People Allowance	1900	-
- Rent from surplus Property	1600	-
-Total	53122	13179

4. Intangible Income (Loaned asset)

The charity has been given the use of a van by one of its Trustees, George Hartigan. The cash equivalent value of this loan was estimated to be in the region of £300 per annum during the year under review. This item is matched by an equivalent sum ("Transport Costs") in the Statements under Resources Expended. (Policy in accordance with Para. 99, Charity SORP 2000).

5. Community Support Costs

	<u>2003</u>	<u>2002</u>
	£	£
These comprise:		
- Companions' Allowances	18915	6044
- Food and Household	12921	4128
- Gardens	693	221
- Leisure and Travel	3344	1068
- Other	3164	1011
-Total	39037	12472

6. Repairs and Maintenance

A sum of £35462 is shown as expenditure on repairs and maintenance during the year. This has been spent on the renovation of parts of the site at Carlton which were acquired in a state of dilapidation. The directors have decided not to capitalise any of this expenditure on the basis that this work entailed improvements to existing structures rather than constructing new buildings. Under the terms of the lease Emmaus Turvey will have no share in any potential uplift in value to the property which may arise as a result of this work.

7. Salary Costs

	<u>2003</u>	<u>2002</u>
	£	£
Salaries (Gross)	51656	30955
Employers NI	3590	2498
Pension/Recruitment	824	333
Total	56070	33786

At the start of the period, the Company had four employees. Over the year the number of employees expanded to four full-time and one part-time employee. The roles filled at the year end were Joint Community Leaders (2 people), Retail Supervisor, Workshop Supervisor and Site Maintenance.

8. Management and Administrative Costs.

-Employment represents 20% of the cost of employing community leaders plus 100% of the cost of recruitment and training of staff.

-Professional fees include 80% of the fees paid to the consultant architect and project development manager, John Creasey (see note 11). Other fees expended include those related to VAT advice and Accountants fees for the annual Audit.

- Included within the insurance cost under the heading "premises" is a sum of £1,066 relating to Trustee Indemnity Insurance.

9. Remuneration to Trustees for Services

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

One former Trustee, John Creasey, was employed on a consultancy basis as architect and project development manager. He has also played an important role in fundraising for the project. His remuneration amounted to £18,296 during the year and this has been apportioned between "management and administration" (80%) and "cost of generating funds" (20%).

10. Prior year VAT received

Included in Resources Expended is a sum of £9751 relating to VAT reclaimed from H.M Customs on prior year costs. This was not accounted for in the previous year due to negotiations with H.M Customs which meant that the amount could not previously be quantified. In effect the current year's expenditure was actually £9751 higher than stated. The VAT received has been apportioned across the relevant expenditure categories.

11. Debtors.

This amount reflects VAT due to the company from HM Customs and Excise following agreement reached after protracted negotiations. It excludes any VAT reclaim on expenditure for the month of June 2003 as this has not yet been agreed with Customs.

12. Creditors: Amounts falling due within one year

	2003	2002
	£	£
Inland Revenue	-	1274
HM Customs & Excise	592	573
Trade Creditors	10687	15184
Accrued Pension	583	333
Accrued Leaving Allowances	741	625
Provision for Insurance Rebate	655	655
Total	13258	18644

13. Fixed Assets

	Land And Buildings	Motor Vehicles	Workshop Machinery	Garden Machinery	Computer	Total
	£	£	£	£	£	£
Cost						
01-Jul-02	0	8000	9377	800	599	18776
Additions	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
30-Jun-03	0	8000	9377	800	599	18776
Depreciation						
01-Jul-02	0	4000	4689	400	300	9388
Charges for year	0	4000	4689	400	300	9388
Disposals	0	0	0	0	0	0
30-Jun-03	0	8000	9377	800	599	18776
Net Book Value						
30-Jun-03	0	0	0	0	0	0
01-Jul-02	0	4000	46890	400	300	9388

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

14. Restricted Funds

	Building Fund £	Vehicle Fund £	IT Fund £	Garden Fund £	Totals £
Balance as at 01.7.02	18129	2500	25257	8839	54725
Incoming Resources	26292	0	723	228	27243
Expenditure	35707	2500	0	1368	39575
Balance as at 30.6.03	8714	0	25980	7699	42393

- The **Building and Development Funds** represent grants to fund the renovation and development of the site at Carlton. During the year Emmaus Turvey received a second grant of £25000 from the Sylvia Adams Trust . In the previous year grants were received from Emmaus UK, Help the Homeless and Sylvia Adams.

- The **Vehicle Fund** was a donation from Miracles in order to help purchase a van. The expenditure recorded above represents the final year of depreciation on the vehicle.

-**IT Fund and Garden Development Fund** were grants from one anonymous Trust to facilitate the development of the IT training facilities at Carlton and the development of the gardens on site.

15. Designated Funds

During the year the Company received a grant of £30,000 from an anonymous Trust. This has been included within the unrestricted funds as a designated fund, set aside for the purchase of a van and for specific building works.