

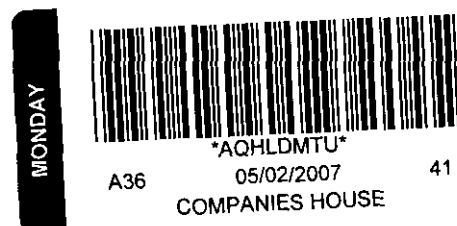


ST MARTIN'S EMMAUS

**ARCHCLIFFE FORT,
ARCHCLIFFE ROAD,
DOVER, KENT, CT17 9EL.**

**COMPANY (LIMITED BY GUARANTEE) NO. 3066614
CHARITY NO. 1047354**

ANNUAL REPORT & ACCOUNTS YEAR ENDED 30 JUNE 2006





ST MARTIN'S EMMAUS

TRUSTEES AND ADVISORS

TRUSTEES

Mr J R Clayton, *Chairman*

Mr A Eberlein

Mrs S Hill

Mr C Lawson (*appointed 21 March 2006*)

Mrs J Paul

Mr D C Ryeland, (*retired 19 September 2006*)

Mrs J Sarjeant, *Honorary Secretary*

Mr R Scruton

AUDITORS

Reeves & Neylan, Chartered Accountants and Registered Auditors,
77 Biggin Street, Dover, Kent, CT16 1BB

SOLICITORS

Furley Page, 39 St Margaret's Street, Canterbury, CT1 2TX

BANKERS

National Westminster Bank plc, 25 Market Square, Dover, Kent, CT16 1NQ

CafCash Limited, Kings Hill, West Malling, Kent, ME19 4TA



ST MARTIN'S EMMAUS

REPORT BY THE TRUSTEES ON THE ACTIVITIES OF THE CHARITY FOR THE YEAR ENDED 30 JUNE 2006

The company was formed on 9 June 1995 and registered as a charity on 19 June 1995; it is governed by its Memorandum and Articles of Association. Trustees are appointed by the members of the company in accordance with the Articles of Association; three trustees retire and are eligible to stand for re-election at the Annual General Meeting. New trustees must be nominated by an existing trustee or a member of the Charity. No bodies or other individuals are entitled to nominate or appoint trustees. New trustees are mentored by existing experienced trustees.

St Martin's Emmaus exists to provide the organisation and premises and to supervise the operation of an Emmaus community, of which there are over 400 worldwide; it was the fourth such community in the United Kingdom, where there are presently thirteen active communities. Other groups exist which intend to form communities. Each community is an independent charity.

Emmaus communities provide otherwise single homeless people with a place to live and work, with the intention that each community shall, after an initial period, be self-supporting. Admission is open to all provided that a vacancy exists and, once installed, members of the community may stay for as long or as short a time as they wish, provided that they continue to follow the community's simple rules of showing respect for others, maintaining the community premises totally free from alcohol and drugs and working for the benefit of the community for up to forty hours each week. Failure to observe the rules can mean that an individual is barred from all Emmaus communities for a specified length of time.

A member ("companion") is provided with housing, food and clothing and provided with a small amount of money each week for personal use. A further smaller amount is set aside and accumulated either towards a holiday break (which can be spent in another community) or as money to be available when the companion leaves.

Only Housing Benefit and the allowance known as "Supporting People" are claimed by way of State benefits. Emmaus believes that self-respect is best recovered through independence.

The business of Emmaus communities is centred on recycling and recirculating goods for which their original owners have no further use; the goods may be given directly or be given as a part of house clearances. Goods are collected, prepared as necessary and sold through our shop operated by the companions. The companions collect goods in two vans, restore them as necessary in our workshops and sell them in our shop. Some new work is undertaken, using recycled materials where possible, and stain glass is our current speciality. Simple services such as car washing, gardening, painting and general labouring are, also, undertaken from time to time. In addition, the community is responsible for running the soup kitchen in Dover on about 30 evenings a year. All this work is undertaken by the Companions.



ST MARTIN'S EMMAUS

St Martin's Emmaus holds Archcliffe Fort in Dover on a lease from English Heritage that expires in 2095; the rent is nominal, but the Charity has spent about £500,000 on renovation of the buildings.

Sales from the business in the year increased by 25% over those for the previous year. Government Support (from Housing Benefit and Supporting People) increased by 1%.

Over 7,400 days of accommodation were provided in the year for 62 (2005 67) individuals. 17 (13) companions stayed with us for more than 6 months, 32 (43) for more than two weeks and 13 (11) for less than two weeks. The overall average of those staying more than two weeks but less than 6 months was 60(69) days. The occupancy rate was 94.7% (91.4%).

On a day-to-day basis (by which we mean the income from Grants, Rents, Sales, and Interest, less Total Resources Expended, but excluding Donations – all as shown on the Statement of Financial Activities), the community made a surplus of £7,569 (loss £10,201), but, including donations a surplus of £30,654 (£3,937). Each individual's accommodation in the community cost about £37 (£36) a day. We still welcome gifts towards capital works and from the surplus accumulated we have allocated monies to assist funding a new community in the South East of England. Consideration is also being given to contributing to the relief of poverty in the third world.

A number of companions acted as "Key Holders" during the year. This means that they take on care duties out of working hours, calling on the coordinator or a trustee if necessary.

The Board of Trustees sets all policies and the budget in consultation with the staff and companions.

The trustees are grateful for the dedication of the staff and companions for all their efforts on behalf of the community. Maureen Gale, our Coordinator to whom day to day management of the Charity has been delegated, has been joined during the year by Debra Stevenson as Administrative Accountant and Ruth O'Meara and Gerry Bartlett as Assistant Coordinators.

We all remain grateful to everyone who helps us, either by gifts of goods for resale, introductions to new outlets (such as house clearances), or as customers of our shop. We remain equally grateful to the many individuals and organisations that continue to help us financially and in other ways.

It is the trustees' policy is to ensure that there are sufficient available funds to meet the immediate operating costs of the company for up to six months and to provide a contingency fund for major repairs to its properties and other unexpected necessary expenditure.



ST MARTIN'S EMMAUS

The trustees have reviewed the major risks to which the charity is exposed and a comprehensive programme of risk management is in place to identify and allow mitigation of all perceived risk of physical accident which could harm companions, staff, trustees, the general public or the fabric of the Community. The policy and risk assessments are reviewed regularly.

Approved by the trustees and signed on their behalf

J Sarjeant 
Trustee & Secretary
16 January 2007

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are required by United Kingdom company law to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of the net income of the company for the year.

The trustees confirm that suitable accounting policies and standards have been used and applied consistently and that reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 30 June 2006.

The trustees are responsible for the keeping of proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the trustees

J Sarjeant 
Trustee and Secretary
16 January 2007



ST MARTIN'S EMMAUS

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ST MARTIN'S EMMAUS

Under section 247B of the Companies Act 1985

We have audited the financial statements of St Martin's Emmaus for the year ended 30 June 2006 set out on pages 7 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charitable 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 permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities the Trustees are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether the information given in the Trustees Annual report is consistent with the financial statements. In addition we report to you if the charity 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 trustees' remuneration and transactions with the charity is not disclosed.

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

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Trustees 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.



ST MARTIN'S EMMAUS

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 misstatement, 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 30 June 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information provided in the Trustees' Annual Report is consistent with the financial statements.

Reeves & Neylan

Chartered Accountants
Registered Auditors
77 Biggin Street
Dover
Kent CT16 1BB
17 January 2007



ST MARTIN'S EMMAUS

STATEMENT OF FINANCIAL RESOURCES

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1

INCOMING RESOURCES (Unrestricted Funds)

Voluntary Income

Donations etc (no expenditure)

2006	2005
£	£
23,085	14,138

Investment Income

Interest received (no expenditure)

6,213	5,498
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Activities for generating funds

Rents (Housing Benefit)

69,854	71,575
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Supporting People

42,269	40,771
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Sales of Services and donated goods

166,573	133,091
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278,696	245,437
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TOTAL INCOME

307,994	265,073
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RESOURCES EXPENDED

Charitable Activity

Maintenance, expenses and supervision
of otherwise homeless companions

2	276,604	260,456
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Governance Activity

Management and administration of charity

3	736	680
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277,340	261,136
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NET INCOMING RESOURCES

4	30,654	3,937
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UNRESTRICTED FUNDS AT 30 JUNE 2005

562,417	558,480
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593,071	562,417
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INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2006

(All recognised gains and losses are included)

Gross income of continuing operations

307,994	265,073
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Total expenditure on continuing operations

-277,340	-261,136
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30,654	3,937
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ST MARTIN'S EMMAUS


BALANCE SHEET AT 30 JUNE 2006

NOTE 1

		2005	
FIXED ASSETS		£	£
Tangible assets	5	<u>411,554</u>	<u>431,110</u>
 CURRENT ASSETS			
Debtors	6	8,143	11,203
Investments – Short-term deposits		184,343	136,575
Cash at bankers and in hand		10,705	8,889
		<u>203,191</u>	<u>156,667</u>
 CREDITORS			
Amounts falling due within one year	7	-21,675	-25,360
		<u>181,516</u>	<u>131,307</u>
 NET ASSETS		<u>593,071</u>	<u>562,417</u>
 INCOME FUNDS		<u>593,071</u>	<u>562,417</u>

The Accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The Accounts were approved by the board of trustees on 16 January 2007 and signed on their behalf on that date by:


John R Clayton,
Trustee.



ST MARTIN'S EMMAUS

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) published in March 2005, applicable UK accounting standards and the Companies Act 1985.

1.2 Company status

The charity is a company limited by guarantee. The members of the Charity are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 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.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Resources when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.5 Resources expended

Resources expended are included in the Statement of Financial Resources on an accruals basis.

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).



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1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. 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:

Leasehold improvements	2%-4%	per annum
Furniture and equipment	20%	per annum
Motor vehicles	25%	per annum

2. Cost of Charitable Activity

	2006	2005
Food and household	33,941	28,818
Companions' allowances	45,551	47,841
Salary Costs	74,305	62,689
Light and Heat	18,192	12,361
Council Tax, Rates and Water	12,297	9,152
Insurances	11,065	10,027
Repairs and Renewals	8,938	17,177
Purchases for business	15,466	14,124
Motor Expenses	17,193	14,976
Postage, stationery, telephones and advertising	10,997	8,044
Termination payment	-	14,000
Other Expenditure	7,353	6,084
Depreciation	21,306	15,163
	<u>276,604</u>	<u>260,456</u>

The charity had up to five employees during the year. Salary costs were £67,584 (2005: £58,139); Social Security costs £5,322 (2005: £4,550) and pension costs £1,399 (2005 – £1,890).

3. Cost of Governance Activity

	2006	2005
Audit Fee	600	600
Trustees' Expenses	136	80
	<u>736</u>	<u>680</u>

4. Changes in resources available for charity use

	2006	2005
Net movement in funds in the year	30,654	3,937
Net variation in tangible assets acquired for charitable purposes	(19,556)	12,700
	<u>50,210</u>	<u>(8,763)</u>



ST MARTIN'S EMMAUS

5. Tangible Fixed Assets used for direct charitable purposes

	Total	Long Leasehold	Furniture and Equipment	Vehicles
Cost to 30 June 2005	537,620	467,257	23,763	46,600
Additions during year	3,000	-	-	3,000
Disposals and written off	(4,000)	-	-	(4,000)
	<u>536,620</u>	<u>467,257</u>	<u>23,763</u>	<u>45,600</u>
Depreciation to 30 June 2005	106,510	68,372	14,965	23,173
On disposals and written off	(2,751)	-	-	(2,751)
Charge for year	21,307	11,511	2,764	7,032
	<u>125,066</u>	<u>79,883</u>	<u>17,729</u>	<u>27,454</u>
Net book value at 30 June 2006	<u>411,554</u>	<u>387,374</u>	<u>6,034</u>	<u>18,146</u>
Net book value at 30 June 2005	<u>431,110</u>	<u>398,885</u>	<u>8,798</u>	<u>23,427</u>

6. Debtors

Due within one year

	2006	2005
Tax recoverable	143	844
Rents	-	224
Accrued income and prepayments	<u>8,001</u>	<u>10,135</u>
	<u>8,144</u>	<u>11,203</u>

7. Creditors

Due within one year

	2006	2005
Taxation and social security	1,669	3,414
Other creditors	<u>20,006</u>	<u>21,946</u>
	<u>21,675</u>	<u>25,360</u>

8. Trustees

No remuneration or expenses have been paid to any trustee, save for the reimbursement for purchases made and expenses of £136 (2005: £79) incurred on behalf of the charity.