



Emmaus Turvey Limited
Emmaus Village Carlton

Financial Statements
For the Year Ended 30 June 2006

Charity No: 1083113
Company No: 3924340

Contents

Trustees' Report	1
Reference and administrative details.....	1
Structure, governance and management.....	2
Objectives and activities	3
Achievements and performance	4
Financial review	4
Plans for future periods	4
Auditors.....	5
Independent Auditors Report	6
Statement of Financial Activities.....	8
Balance Sheet.....	9
Notes to the Financial Statements.....	10

Trustees' Report

The Trustees present their Annual Report and Financial Statements for the year ended 30 June 2006.

Reference and administrative details

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

Registered Charity Number: 1083113
Registered Company Number: 3924340

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

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

Current Trustees
(with date of appointment)

Kevin Cantwell	30.03.06
George Hartigan	11.02.00
Philip Ledger	17.10.06
Shelagh Manley	01.03.01
Frank McMahon	29.11.06
David Pibworth	30.03.06
Roger Wansbrough	17.10.06
Anthony Woodhouse	21.12.01

Other Trustees for the year to 30 June 2006
(with dates of appointment and resignation):

Peter Baldwin	11.02.00	01.09.05
Chrys Baldwin	21.12.01	01.09.05
Brian Gibbons	11.02.00	06.03.06
Roger Forrester	11.02.00	06.03.06
Jerry Hartigan	11.02.00	Deceased Jan 2006
Jane Stewart	01.03.01	06.03.06
John Williams	13.10.04	01.07.06

Secretary: Roger Wansbrough

Treasurer: Philip Ledger

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

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

Caf Bank Limited
Kings Hill
West Malling
Kent ME19 4TA

Structure, governance and management

Nature of Governing Document

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

Appointment of Trustees

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

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

Trustee induction and training

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

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

Organisation

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

The Board of Trustees has changed dramatically. We particularly note with sorrow the sad death of Jerry Hartigan, who figured among the founding Trustees of the community. Three other founders, Brian Gibbons, Peter Baldwyn and Roger Forrester have retired, as have Jane Stewart, Chrys Baldwyn and John Williams. Their energy and drive in turning a dream into reality and wisdom and guidance as the project established itself have been invaluable; they will be missed. The remaining and newly appointed Trustees are determined to build on the platform that the previous team have been instrumental in creating.

Related parties

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

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

Risk assessment

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

Steps have been taken to mitigate these risks as far as possible, for example by adopting a gradual increase in numbers of Companions, conservative financial policies, and a program of training in and strict adherence to Health & Safety guidelines respectively.

Objectives and activities

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

The year to end of June 2006 was another of significant progress for the charity, with many positive developments for our Companions, Staff team and the site. Although there is still much to do, EVC is now firmly established as a place of hope for the homeless and a respected part of the wider community.

The opening of the refurbished Copperbeeches increased available rooms from 17 to 29. This has allowed the Emmaus opportunity to be offered to more homeless people with a standard of accommodation that ensures privacy whilst maintaining the sense of community. By the end of the year, a total of almost 20,000 nights had been spent at EVC by Companions since doors opened in 2001. The average length of stay has risen to approximately 7 months. The Companions achieved many personal triumphs from invaluable contributions to the business and community life, through gaining training qualifications to addressing the problems associated with previously being homeless.

Under the direction of the Community Leader, Staff members developed further into a cohesive team at the hub of the project. The Trustees wish to record their gratitude to them, fully appreciating that so much of their work goes on behind the scenes.

In addition to the completion of the refurbishment of Copperbeeches, work started on the Under 1 Roof project. Now completed, this building in which all non-furniture donated items are processed, will help us push back the boundaries in terms of recycling as well as improving how we prepare goods for resale.

The functioning of the community is highly dependent upon volunteers, from fund raising activities, through sorting of goods for resale and recycling, to assisting in the Bric-a-Brac shop and Bistro. A central register of volunteers is maintained, and occasional functions are organized for volunteers to become acquainted with Companions and staff. Not only could we not survive without their hours of toil and specialist skills, but they are also a vital ingredient in the unique atmosphere at EVC that is fundamental to our success.

Achievements and performance

The majority of charitable activities consist of sustaining and maintaining the community, with funding being derived from the Bistro and Bric-a-brac shop. Performance here is monitored against a Trustee-approved budget and has shown year-on-year improvement, and regularly turned over in excess of £5,000 per week. Although this is sufficient to meet the charity's day-to-day running expenses, we are keen to increase sales so that we can generate further surpluses to invest in the project and enhance the opportunity offered to Companions.

The year was another successful fundraising period, particularly for grants in support of specific projects, which are detailed in Note 14 to the Financial Statements.

Financial review

Reserves

The directors have attempted to safeguard the financial status of the charity by maintaining general reserves at a level equivalent to two to three months' revenue expenditure. This level was considered reasonably prudent in view of the fact that the business has been operating close to self-sufficiency in revenue terms. This level will be kept under continuous review as the community and business expand.

Various financial controls and regular financial reporting procedures have been put in place.

The directors undertake regular risk assessments of health and safety procedures within the community and workplace.

Investment policy

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

Funding sources

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

Please also see the Notes to the Financial Statements.

Plans for future periods

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

In the near future, a phased development of the following projects will be rolled out as financials and management resources permit:

- Development of “transitional flats” to aid the path of companions’ reintegration into society
- Refurbishment and extension of the Bistro, and refurbishment of furniture processing and retail areas, to accommodate increasing trade

Auditors

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

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

George Hartigan
Chairman

Date: _____

Independent Auditors Report

We have audited the financial statements on pages 8 to 14 for the year ended 30 June 2006 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

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

Respective Responsibilities of Directors and Auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is 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 2006 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.

Date: _____

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

Statement of Financial Activities

for the year ended 30 June 2006
 (including an Income and Expenditure Account)

		Total	Total		
	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Incoming Resources					
Voluntary Income	2	36,176	38,1568	41,7744	50,6378
Activities for Generating Funds	3	1,300	0	1,300	5,550
Investment Income	4	4,263	4,777	9,040	8,578
Incoming Resources from Charitable Activities	5	317,297	0	317,297	290,200
Total Incoming Resources		359,036	386,345	745,381	810,706
Costs of Carlton Operation Resources Expended					
Cost of Generating Voluntary Income	6	4,472	23	4,496	4,913
Charitable Activities	7,8,9	378,492	462,996	841,489	604,284
Governance Costs	10	2,865	0	2,865	3,413
Total Resources Expended		385,830	463,020	84,8849	61,2610
Net Incoming Resources		-26,793	-76,674	-103,468	198,096
Fund bal b/fwd at 1.7.05		106,572	257,888	364,460	166,365
Transfer – General to restricted		-1,569	1,569		
Fund bal. C/fwd at 30.6.06		78,210	182,783	260,993	364,460

Balance Sheet

as at 30 June 2006

	<u>Notes</u>	<u>30.6.2006</u>	<u>30.6.2005</u>
		£	£
Tangible Fixed Assets	13	13,194	10,341
Current Assets			
Cash at Bank and in Hand		322,295	362,754
Debtors		19,977	6,879
Creditors			
Amounts Falling Due within One Year	12	94,472	15,513
Net Current Assets		<u>247,800</u>	<u>354,120</u>
Net Assets		<u>260,993</u>	<u>364,460</u>
Accumulated Funds			
Unrestricted Funds		59,454	41,413
Designated Funds	15	18,757	65,159
Restricted Funds	14	<u>182,783</u>	<u>257,888</u>
		<u>260,993</u>	<u>364,460</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000)

Approved by the Board of Trustees and Directors on 1 February 2007 and signed on their behalf by

Philip Ledger
Treasurer

Date: _____

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

Notes to the Financial Statements

For the year ended 30 June 2006

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, except in the case of known amounts due from HM Revenue and Customs relating to tax rebates (notably input tax for VAT).

Resources Expended

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

Depreciation

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

-Equipment, Motor Vehicles – 50%straight line

Accounting for VAT

The company's VAT year-end is currently 31st May. Because, under the existing arrangements, 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 2006. 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. Voluntary Income comprises:

	Notes	Total Unrestricted Funds £	Total Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Grants	14	0	364,628	364,628	409,510
Donations	15	34,059	16,941	51,000	95,131
Gift Aid Tax reclaimed		2,117	0	2,117	1,737
Total Voluntary Income		36,176	381,569	417,744	506,378

Details of grants and donations received are provided in notes 14 and 15 (restricted and designated funds). In addition Emmaus Turvey received a donation of £23,500 from the Carlton Educational Trust to fund the work carried out in the last financial year on the changing rooms for the sports/playing field.

3. Activities for Generating Funds comprise £750 income generated from rental of properties and space which are temporarily surplus to requirements, plus £550 generated at a fundraising event.

4. Investment Income comprises bank interest.

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

	Total Unrestricted Funds	Total Restricted Funds	Total Funds 2006	Total Funds 2006
	£	£	£	£
Sale of Donated/ Recycled Goods	164,927	0	164,927	153,412
Bistro	60,957	0	60,957	51,909
Other VATable Sales	7,821	0	7,821	2,846
Rent from Companions	83,592	0	83,592	82,032
Total Incoming Resources from Charitable Activities	317,297	0	317,297	290,200

6. Cost of Generating Voluntary Income

This includes a fee of £3,026 paid to a consultant, plus the cost of running the fundraising office (heat, telecoms and stationary).

The Charity has also benefited significantly from the considerable input by Trustees, which has been on a voluntary basis. It has also received a great deal of support from the fundraising team at Emmaus UK.

7. Resources Expended on Charitable Activities splits:

	Total Unrestricted Funds	Total Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
Repairs and Maintenance	80,926	433,310	514,236	292,349
Retail & Workshop Supplies/Services	46,002	0	46,002	34,785
Community Costs	20,000	665	20,665	23,382
Companions' Allowances	33,344	0	33,344	29,302
Food	22,609	0	22,609	21,570
Employment	81,929	0	81,929	84,980
Premises (Insurance & Council Tax)	26,667	576	27,243	32,459
Professional Fees	14,015	11,812	25,828	27,095
Transport	15,763	0	15,763	13,071
Utilities & Telecoms	30,608	0	30,608	23,165
Depreciation	6,630	16,632	23,261	21,206
Total Resources expended on Charitable Activities	378,492	462,996	841,489	604,284

8. Repairs and Maintenance

A sum of £514,236 is shown as expenditure on repairs and maintenance during the year. This has been spent on the renovation of parts of the site at Carlton that were

acquired in a state of dilapidation. The largest project accounting for just over half of the expenditure was the completion of the refurbishment of companions' accommodation in the house named Copperbeeches. This was funded by an anonymous international charity and by Emmaus UK, The Jake Charitable Trust and by an anonymous Trust (see note 14).

Another major building project was commenced during the period to create an "under-one-roof" recycling facility within the former gymnasium. Just under £200,000 was expended during the year and the project was ongoing at the year end. This has been funded by grants from the Jake Charitable Trust, BLEDP, an anonymous international charity and by the DEFRA Royal Society of Wildlife Trusts (Waste Partnership Fund).

Work continued on the site as a whole including the development of further staff accommodation, development of the gardens and the business areas. This was paid for out of general funds and the designated building fund.

The directors have decided, in spite of the scale of these works, not to capitalise any of this expenditure on the basis that this work entailed improvements to existing structures rather than constructing new buildings. Under the terms of the lease Emmaus Turvey will have no share in any potential uplift in value to the property that may arise as a result of this work.

9. Salary Costs

	2006	2005
	£	£
Salaries (Gross)	76,551	78,404
Employers NI	5,627	6,576
Rebate for online filing	<u>(250)</u>	<u>0</u>
Total	81,929	84,980

At the start of the period the employees within the company comprised three full-time and three part-time employees. Over the year one extra full-time and one part-time member of staff were added. The roles filled at the year end were Community leader, administrator/deputy community leader, deputy community leader (site management) retail supervisor, part-time retail supervisor, workshop supervisor and two deputy managers.

10. Governance Costs.

	2006	2005
	£	£
Audit Fee	1,731	1,838
Trustee Indemnity Insurance	<u>1,134</u>	<u>1,575</u>
Total	2,865	3,413

11. Remuneration to Trustees for Services

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

12. Creditors: Amounts falling due within one year

	2006	2005
	£	£
HM Revenue & Customs	1,035	1,005
Trade Creditors	89,475	11,602
Accrued Pension	583	583
Accrued Leaving Allowances	<u>3,379</u>	<u>2,322</u>
Total	94,472	15,513

13. Fixed Assets

	Motor Vehicles	Plant & Machinery	Garden Machinery	Computer	Total
	£	£	£	£	£
Cost					
01-Jul-05	29,374	20,694	3,350	7,772	61,190
Additions	24,088	0	-274	2,300	26,114
Disposals	0	0	0	0	0
30-Jun-06	<u>52,462</u>	<u>20694</u>	<u>3,076</u>	<u>10,072</u>	<u>87,304</u>
Depreciation					
01-Jul-05	23,896	20,694	2,075	4,186	50,849
Charges for year	17,523	0	1,001	4,737	23,261
Disposals	0	0	0	0	0
30-Jun-06	<u>41,419</u>	<u>20,694</u>	<u>3,076</u>	<u>8,922</u>	<u>74,110</u>
Net Book Value					
30-Jun-06	<u>12,043</u>	<u>0</u>	<u>0</u>	<u>1,150</u>	<u>13,194</u>
01-Jul-05	<u>5,480</u>	<u>0</u>	<u>1,275</u>	<u>3,587</u>	<u>10,341</u>

Note 13 Fixed Assets (continued)

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 (2)	Building Fund (3)	Building Fund (4)	Under One Roof Training and staffing Fund	Building Fund (5)	Garden Fund	Totals
	£	£	£	£	£	£	£
Balance as at 01.7.05	7,797	226,791	15,810	0	3,587	3,904	257,888
Incoming Resources	94	1,695	349,246	35,266	0	45	386,345
Expenditure	9,459	228,486	217,538	0	3,587	3,949	463,020
Transfers	1,569	0	0	0	0	0	1,569
Balance as at 30.06.06	<u>0</u>	<u>0</u>	<u>147,517</u>	<u>35,266</u>	<u>0</u>	<u>0</u>	<u>182,783</u>

Building Fund (2) represents the completion of a project to refurbish companions' accommodation in Alborada House. The work was funded by grants from the Alborada Trust and the National Lottery Charities Board (Community Fund). A transfer of £1,569 was made from general (unrestricted) funds.

Building Fund (3) represents the work, now completed, to refurbish companions' accommodation in the house called Copperbeeches. Grants were received in prior reporting periods from an international charitable foundation, a solidarity grant from Emmaus UK, the Jake Charitable Trust and a donation from an anonymous trust.

Building Fund (4) relates to the redevelopment of the old gymnasium building to provide an "under-one-roof" space for the processing and recycling of donated goods. Grants were received from the Jake Charitable Trust, BLEDP, an anonymous international charitable foundation and by the DEFRA Royal Society of Wildlife Trusts (Waste Partnership Fund). Work was still underway at the year end. The end balance of £147,517 was held in cash.

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

Building Fund (5) represents a donation from an anonymous Trust for the creation of an IT training facility at Emmaus Carlton. The £3,587 expenditure represents the depreciation of fixed assets (see note 13 – computers).

The Garden Fund represents money from an anonymous Trust that was used for the development of the community's garden.

15. Designated Funds

	Designated Fund (1)	Designated Fund (2)	Totals
	£	£	£
Balance as at 01.7.05	0	65,159	65,159
Incoming Resources	0	1,538	1,538
Expenditure	30,355	42,585	72,940
Transfers	35,000	-10,000	25,000
Balance as at 30.06.06	4,645	14,112	18,757

Designated Fund (1) was created to fund general building works and maintenance on the site. Funding came from a £25,000 transfer from General (unrestricted) funds and a £10,000 transfer from Designated Fund (2) where it was deemed that these funds were surplus to requirements.

Designated Fund (2) was created in order to supplement the funds in restricted building fund (3). This was needed to fund the balance of the contract for the refurbishment of the companions' accommodation in Copperbeeches. The prior year transfer of £31,000 was money set aside from general (unrestricted) funds. There was also a donation of £34,160 of shares from a local lady, which was set aside by the Trustees for use in this building project. The end balance of £14,112 was held in cash as funds to pay the building contractor's retention.