

Company number: 03019431
Charity Number: 1045672 (England & Wales)
SC038093 (Scotland)

Emerge Poverty Free

Report and financial statements
for the year ended 31 March 2017



**Report and financial statements
For the year ended 31 March 2017**

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Emerge Poverty Free

Reference and administrative information For the year ended 31 March 2017

Company number	03019431
Charity number	1045672 (England & Wales) SC038093 (Scotland)
Registered office and operational address	5 Skylines Village Limeharbour London E14 9TS
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Margaret Edwards Chair Candy Bowles Vice Chair Ewout van den Blink Treasurer (appointed 23 September 2016) Pinky Badhan (appointed 22 April 2016) Nicholas Milton Andrew Mubeezi-Magoola (appointed 22 April 2016)
Key management personnel	Melanie Nightingale Interim CEO
Bankers	Lloyds Banking Group plc 25 Gresham Street London EC2V 7HN
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL

Trustees' Annual Report For the year ended 31 March 2017

Introduction from the Chair

2016-17 has been an eventful year for Emerge Poverty Free working in six countries in Africa with 11 local partners to deliver life changing projects which have reached 113,855 people. Our work remains led by the needs of the communities we operate in, and shaped by our local partners' expert knowledge. This approach means our interventions are culturally sensitive, adaptive and are the catalyst for sustainable solutions to the problems that cause or perpetuate poverty.

This year we have continued our commitment to reach vulnerable and marginalised communities; prioritising women and girls who face great obstacles to accessing basic needs due to their gender. During 2016-17, 62% of those who directly benefited from our work were women and girls. Two of our programmes particularly stand out for me as successfully addressing important reproductive health issues for women and girls; our Menstrual Hygiene Management programme and our Safe Motherhood programme.

As part of our Water, Health and Hygiene programme, we installed boreholes and built latrines at primary schools in Uganda. We also tackle the stigma surrounding menstruation and train pupils, both boys and girls, to make reusable sanitary pads. This project has changed the children's lives as they are now able attend school without the fear of getting sick through dirty water or poor hygiene. It has been transformational for the girls who learnt practical ways to manage menstruation and can now attend school without discrimination or shame.

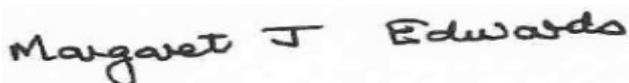
I would like to share a quote from Agnes, a 15 year old pupil at Abako Primary School who sums up how this project has changed her life; *"This has empowered girls at my school to be bold and face life head on. I want to become a health worker in the future and help girls avoid getting infections. I will work hard at school in order to pursue my dream."*

Our Safe Motherhood programme in rural villages in Uganda has been extremely successful in reducing the number of women and babies dying during childbirth. Training and equipping community midwives has dramatically improved the level of healthcare and education expecting mothers receive. Community midwives are able to monitor women throughout their pregnancy, attend their births and check-up on mother and baby in the following weeks to ensure both are healthy.

Juliet, one of our newly trained community midwives shares her experience of this life saving project; *"I had complications in pregnancy before so this time I came to this project. My baby was born safely with the help of a Community Midwife but that same week, I lost two of my friends in childbirth. If it hadn't been for this project I might have also died, it motivated me to become a Community Midwife and save lives. So far, I have delivered six babies safely. It is a wonderful feeling."*

We would like to thank all of our supporters for their contributions over the last year; you make our work possible! A heartfelt thank you to all those who have pledged a gift in their will to Emerge Poverty Free, this is a wonderful and important way of supporting Emerge Poverty Free which brings hope, strength and support to so many families.

To our partners in Africa, staff, trustees and volunteers in the UK – thank you for your hard work, enthusiasm and generosity of spirit. We look forward to the year ahead with hope and determination as we strive for a world where everyone has the opportunity to achieve their potential. Knowing that together we are stronger, and that through our partnerships we will empower more people to overcome poverty and build brighter futures for their children.



Margaret Edwards
Chair of Trustees

Trustees' Annual Report For the year ended 31 March 2017

The Board of Trustees has the pleasure in presenting their annual report and the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2017 which have been prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

Purposes and aims

Emerge Poverty Free is a UK-based international development organisation working alongside partner organisations in east Africa to address the basic needs for people living in poverty. We believe that investing in women and girls is critical to strengthening communities and enabling them to become self-reliant and independent from aid.

The purposes of the charity as set out in its governing document are the relief of persons anywhere in the world who are suffering hardship as a result of drought, earthquake, flood or other natural disasters or who by reason of their social or economic conditions are in need of assistance in accordance with the principles of the Christian faith.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

Public benefit

The trustees have referred to the Charity Commission guidance on public benefit when reviewing the aims and objectives of EmERGE Poverty Free and in planning future activities of the charity. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Vision, mission and beliefs

Our vision is of a world where everyone has the opportunity to achieve their potential.

Our mission is to empower people to lead their families and communities out of poverty.

Our rationale:

- In line with the Sustainable Development Goals we believe in long term, sustainable solutions that promote gender equality, address food insecurity and reduce poverty in all its forms.
- Investing in women and girls is the most effective way to reduce poverty at household level because girls and women spend 90% of their earned income on their families. With an extra year of education women's wages increase by 10-20% and women with more years of schooling have better maternal health and fewer, healthier children.
- Empowerment is the catalyst from which everything else is built, which is why we work in partnership with local NGOs and involve stakeholders in all project design.

Trustees' Annual Report For the year ended 31 March 2017

Our approach is underpinned by our commitment to empowering communities to become self-reliant and independent. We are respectful of the culture, needs and capacity of the communities we work with and support them in creating their own futures rather than simply providing funds or short term fixes.

All our projects are designed and implemented in partnership with local organisations which are best placed to change their community from within. By providing knowledge, resources and opportunities, we enable people to build their own sustainable and prosperous livelihoods, which improve their resilience to shocks.

We have achieved a lot through collaboration and recognise that we cannot achieve our vision alone; so we facilitate knowledge sharing and learning between partners and build their capacity to improve the depth and breadth of our work.

In addition to this, we focus on four key project areas:

- **Food security** We enable women farmers to feed their families by providing training in modern techniques and access to quality seeds, tools, and livestock.
- **Livelihoods** We help women become economically empowered by supporting income generating initiatives and starting Village Savings and Loans Associations.
- **Advocacy** We change attitudes towards women's and children's rights by addressing education, child protection and critical local issues through community sensitisation.
- **Water, health and hygiene** We keep families healthy and children in school with Water, Sanitation and Hygiene programmes, and we protect mothers and babies through our Safe Motherhood programme.

Grant-making policy

Emerge Poverty Free's aims and objectives are achieved by working with locally established partner organisations. Grants are agreed following a formal approval process and then all projects are systematically monitored for the duration of their existence, through to a final evaluation process.

Volunteers

Volunteers and interns are a valuable asset to Emmerge Poverty Free and throughout 2016-17 we have benefited from 193 days of their time. Their support has been vital to the effective operations of Emmerge Poverty Free.

Emerge Poverty Free also empowers volunteers and interns as they seek to develop a career in international development with several interns going on to work within the sector or going back into university with a clearer understanding of what a career in international development involves.

Trustees' Annual Report For the year ended 31 March 2017

Review of activities

Overseas programmes

Our work in Africa throughout 2016-17 has focused on poor and vulnerable communities in six countries: Burundi, DR Congo, Kenya, South Sudan, Tanzania and Uganda. All of these countries are listed as having a low Human Development Index, apart from Kenya, which is ranked as medium.

Over the last year we transformed the lives of 113,855 people by improving the living standards of families by establishing sustainable livelihoods, developing food security initiatives, creating safe learning environments at schools and addressing stigma and discrimination. Of the 39,952 people who were direct participants in our projects, 62% were women and girls which will have a positive impact on household income and gender equality for generations to come.

Food security

In 2016-17 our agricultural programmes in DR Congo, South Sudan, Uganda and Burundi helped transform the lives of over 1,106 smallholder farming families providing access to the skills, resources and tools needed to improve their families' food security and crucially, the health and nutrition of their children.

Livelihoods

Our Sustainable Livelihoods programme in 2016-17 empowered 699 people South Sudan, Uganda and Tanzania through business skills workshops, vocational training and by providing access to finance via Village Savings and Loans Associations. This training acts as a catalyst to enable people to find their own path out of poverty and has had a positive impact on a further 2,414 people including children who are better able to access basic needs.

Water, health and hygiene

In 2016-17 we provided 20,502 people South Sudan, Uganda and Tanzania with improved access to clean water and sanitation facilities including training school children about good hygiene practices to limit the spread of disease. Our Let Her Learn programme has addressed the stigma of menstruation and delivered practical solutions to enable girls to continue their education.

Our Safe Birth Programme has reached 13,075 people across 11 rural villages in Kamuli District, Uganda. By training community midwives, distributing Safe Mama Kits and teaching expecting parents how to have a healthy pregnancy and safe birth, we have seen the number of mothers and babies surviving childbirth increase dramatically.

Advocacy

In 2016-17 we reached 2,711 people through our advocacy projects addressing discrimination and promoting the rights of women and children as well as highlighting issues around gender-based violence and HIV testing.

Trustees' Annual Report For the year ended 31 March 2017

Capacity building

Throughout 2016-17 we have continued to facilitate valuable opportunities for our partners to build capacity in order to improve the quality and impact of our projects:

- As part of our successful Comic Relief application we received two days of consultancy from a monitoring, evaluation and learning specialist for Emmerge Poverty Free and our partner ARUWE in Uganda. This was a fantastic opportunity which improved both our internal monitoring, evaluation and learning approaches and resulted in a project design which will enable us to properly evidence our impact.
- We also supported our partner ARM in Burundi to attend an international conference which showcased successful initiatives and best practice in addressing the needs of street connected children. This has equipped ARM with new knowledge and tools with which to work with this particularly vulnerable group.
- For our partners in Uganda, ANASI and URICT, we have committed to provide an internet connection for a year to promote and facilitate good communication, reporting and provide opportunities for their research and fundraising.

All of our projects are led by knowledgeable and dedicated local NGOs. We would like to thank them for their ongoing commitment to ending poverty. We are proud to have been able to support our partners in Burundi and South Sudan, countries which have become increasingly difficult for NGOs to operate in.

In 2016-17, Emmerge Poverty Free worked with 11 partners across 6 countries:

Burundi	African Revival Ministries (ARM)
DR Congo	Bunia Children Hope Centre (BCHC)
Kenya	IPHC Huruma Children's Home (IPHC)
South Sudan	All Nations Christian Care (ANCC) Global Aim
Tanzania	Sustainable Investments and Development Initiatives (SIDI) Child in Action Foundation (CIAF)
Uganda	All Nations Christian Care (ANCC) Agape of Hope Female Youth Development Association Uganda Rural Information & Communication Technology (URICT) ANASI Farmers Association Action for Rural Women's Empowerment (ARUWE)

Trustees' Annual Report For the year ended 31 March 2017

Fundraising activities

As a small charity we treasure each and every gift and know how fortunate we are to have the support of our community of individuals, trusts, foundations, companies and churches. Thanks to their support, this year we have been able to provide the skills, resources and knowledge for 113,855 people in east Africa to overcome poverty with dignity and build a life full of hope and promise for their children.

This year Emerge Poverty Free has raised funds predominantly through individual giving and legacies whilst working towards diversifying funding streams to increase financial stability longer term. The developing income streams include companies, trusts and foundations, and events.

Individuals have always been at the heart of our fundraising and integral to our work. This year was no exception with generous individuals raising £342,000. We would like to share our heartfelt thanks to those supporters who responded quickly and generously to the devastating Cholera outbreak at our partner's community school in Uganda enabling us to treat the sick children and build proper latrines. Their support helped limit the spread of the disease and saved the lives of many children.

We have made changes to our supporter communications to improve the stewardship of our supporters, ensuring they receive uplifting examples of the many ways their gifts change lives. This has been well received by supporters, resulting in increased engagement and positive feedback.

Emerge Poverty Free received legacy gifts from 18 of our long standing supporters who chose to continue the work they had supported throughout their lives. Many of these supporters have historically helped us respond to some of the world's major disasters. More recently they have been instrumental in enabling us to implement sustainable projects to help families. Their legacy gifts will help continue this work, reaching people in poverty in rural Africa, providing the helping hand they need to overcome poverty themselves.

With particular thanks to:

A4ID
Bees Abroad
Evan Cornish Foundation
Morrison Foerster
St Mary's Reigate
The Anchor Foundation
The Ann & Christopher Fielden Charitable Trust
The CB and HH Taylor 1984 Trust
The Charles Hayward Foundation
The Forest Hill Charitable Trust
The Hale Family Charitable Trust
The Open Gate Trust
The Park Family Charitable Trust
The Russell & Mary Foreman 1980 Charitable Trust
The Security Institute
The Ward Family Charitable Trust

Trustees' Annual Report For the year ended 31 March 2017

Plans for the future

We identified three priorities for 2016-17, which we have been working to address this year. However they are long term goals which will help us expand and improve our work. Throughout 2017-18 we will build on the foundations set out in 2016-17 to realise these three priorities more fully.

1. Developing partner capacity

Emerge Poverty Free believes that the most effective way to reduce poverty is to work through local partners that are rooted in the communities in which they work. In 2017-18, Emmerge Poverty Free will invest in increased support, capacity building and technical assistance for our partners, as well as giving grants.

2. Evidencing and communicating our impact

Emerge Poverty Free is committed to being accountable for the work that the charity does, both to the communities we work with and to our supporters. We also want to know that what we are doing is effective, and if not, to adapt and do things differently. In 2017-18, Emmerge Poverty Free has decided to focus on improving the quality of information we collect, and the way we analyse and respond to it. Furthermore, the complex nature of addressing poverty means that it is not always easy to convey succinctly to our supporters how much of a difference we are making. We therefore aim to improve the way we communicate our impact externally.

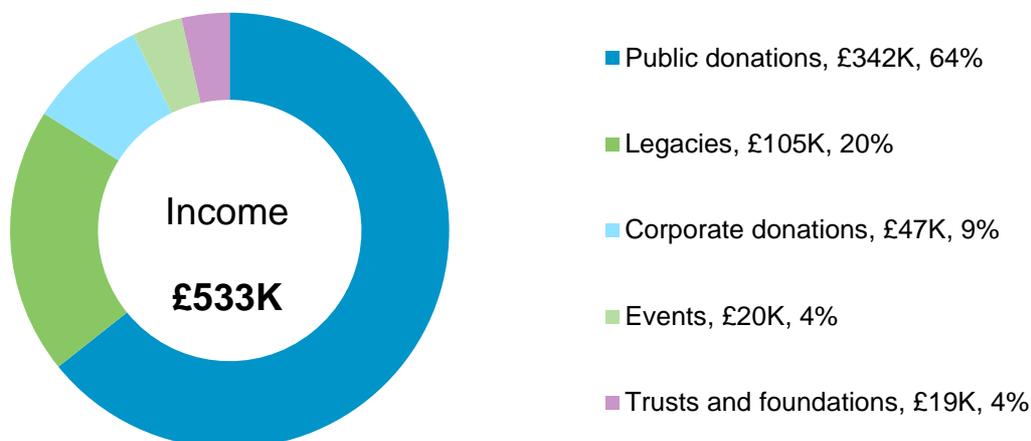
3. Improving our financial sustainability

Emerge Poverty Free will continue its programme of change, to diversify its funding mix with particular focus on growing its restricted project funding from corporates, institutional donors, trusts and foundations, alongside maintaining a solid level of unrestricted income in the form of public donations and legacies.

Financial review

Income

Our income for 2016-17 totalled £533,000 of which 73% related to unrestricted funds. Public donations remain vitally important and are responsible for our high balance of unrestricted income at 73%. This level of unrestricted income allows us to adaptively manage our projects and remain agile which is essential when operating in countries like Burundi or South Sudan where conditions are constantly changing.



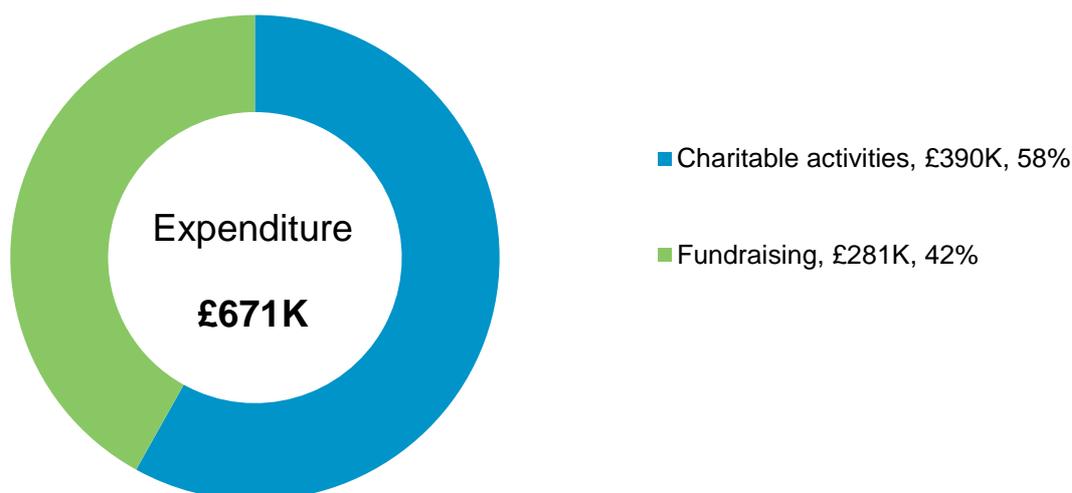
Trustees' Annual Report For the year ended 31 March 2017

We continued work to diversify our income which is a key area of our strategy to improve the long term financial stability of the organisation and ultimately increase the impact of our programmes. This has remained a challenging endeavour for the charity and progress in developing trust and foundation, corporate and institutional income streams has been slow.

We have made progress in 2017-18 towards developing new income streams by successfully securing our first significant multi-year grant from Comic Relief's Small NGO and Diaspora. This grant will enable us to further develop our monitoring, evaluation and learning system and processes which will improve the quality of our projects, increase the depth of impact for beneficiaries and enhance our ability to communicate our work.

Expenditure

Total expenditure for 2016-17 was £671,000, of which £525,000 related to unrestricted funds and £146,000 related to restricted funds. Due to the fall in income, overall expenditure fell by 28% from the previous year, and expenditure on overseas projects fell from the previous year by 25%. Of our total spend; £390,000 went on our charitable activities – working with our partner organisations in Africa to address the basic needs for people living in poverty and £281,000 was invested into raising more funds.



Extensive work to improve the organisational infrastructure has been carried out in 2016-17, including the development of increasingly robust financial procedures and the implementation of improved monitoring, evaluation and learning. This process is anticipated to enable the organisation to become financially sustainable and deliver on its aims and objectives.

Overall, the charity incurred a deficit of approximately £138,000 of which £136,000 related to unrestricted funds and £2,000 related to restricted funds. Total fund balances retained at 31 March 2017 were £221,000, of which £4,000 related to restricted funds.

Trustees' Annual Report For the year ended 31 March 2017

Reserves policy

The trustees have established a reserves policy that aims to protect the charity's activities from risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring that the charity does not retain income for longer than required.

The policy also provides parameters for future strategic plans and contributes towards decision making. It determines an appropriate target level for general reserves, taking into account the charity's vulnerability to unplanned changes in financial position, relating mainly to its fundraising of unrestricted income – particularly donations and legacy income, which can vary significantly from year to year.

The policy requires free reserves to be maintained at 3-6 months' of applicable expenditure (that is, total expenditure less donated goods and services that do not involve a cash outflow). This is equivalent to a range of £168,000 to £336,000 at current expenditure levels.

Funds

At the end of the reporting period, the charity's total funds stood at £221,000 (2015-16: £360,000). Restricted funds, which are subject to conditions imposed by donors or implied by the nature of an appeal and therefore not available for general purposes of the charity, totalled £4,000 (2015-16: £6,000). Designated funds at the end of the reporting period totalled £3,000 (2015-16: £3,000).

After making an allowance for any restricted funds, and the amount of designations, the group's free reserves balance at 31 March 2017 was £215,000 (2015-16: £351,000), which represents 3.8 months' applicable expenditure (2015-16: 4.6 months) – within the range of the trustees' policy for reserves.

Going concern

The trustees have set out above a review of the financial performance during the financial year and the charity's reserves position at the year end.

Although the charity held £215,000 in free reserves as at 31 March 2017 – a healthy position within the target range of the trustees' policy for reserves – the decline in public donations along with the uncertainty of legacy receipts and slow growth of other revenue streams, means that improving the future income of the charity remains a key priority. Since the year-end, the charity has received confirmation of funding from Comic Relief worth £350,000 over a three-year period and it is hoped that this grant will be a catalyst for growth in funding for the charity's overseas projects.

Whilst the charity continues to build on its efforts to diversify its fundraising so that the variety of income streams provides greater stability of overall income, the trustees are also seeking closer collaboration with other charities to enable the charity's work to continue on a more stable financial footing in the future. Getting the funding support from Comic Relief is a key milestone for the charity in terms of diversifying its funding source.

As referred to in note 1 of the financial statements, after reviewing the charity's forecasts and projections, and making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources and control mechanisms to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, the charity continues to adopt the going concern basis in preparing its consolidated financial statements.

Risk management

Principal risks and uncertainties

The trustees recognise that Emerge Poverty Free works in the changing and competitive environment of the UK charity sector and within the challenging and fragile contexts of international aid and development; often in areas where there is insecurity and a lack of a cohesive infrastructure. Emerge Poverty Free and other charities operating internationally face a unique challenge of needing to work with vulnerable people within these unstable environments while simultaneously protecting charitable assets.

The Board has established a formal risk management process and internal control framework to ensure intelligent, proactive and consistent management of risks, so that the charity can maximise strategic opportunities. This process comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiary face;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

A risk register identifies the risks facing the charity within four categories: strategic, operational, reporting and compliance. Risks are assessed and a high, medium or low risk rating given based on likelihood of occurrence and their potential impact on the charity. The risk register is approved annually by the Board and reviewed quarterly by the Senior Management Team with key risks escalated to the Board.

The charity defines key strategic risks as those that threaten the fulfilment of the core strategic objectives within its business plan. The two identified over-arching strategic risks relate to the receipt of sustainable income to maintain our planned programmes, and the correct expenditure of those resources by our overseas partners. The charity has plans in place to mitigate against these risks and keeps them under regular review as outlined above.

Internal controls

The Board of Trustees has overall responsibility for ensuring that Emerge Poverty Free has a system of internal control, management and audit to mitigate risk. The charity has an annual planning and budgeting system. The financial reporting system compares results with the budget on a monthly, quarterly and yearly basis. These internal systems and financial controls can provide reasonable assurance against errors or fraud.

The charity has documented systems of internal financial controls and procedures that are reviewed regularly by financial management. These systems provide reasonable, but not absolute, assurance against errors or loss. The procedures aim to ensure the completeness and accuracy of accounting records and document the ways in which the trustees have delegated financial authority within defined limits. The internal controls provide reasonable assurance that:

- financial controls are in place to safeguard assets
- transactions are properly authorised and recorded
- material errors or irregularities are either prevented or would be detected within a timely period

Trustees' Annual Report For the year ended 31 March 2017

Structure, governance and management

Emerge Poverty Free is a charitable company limited by guarantee (registration number 612172), incorporated on 8 February 1995 and registered as a charity (registration number 1045762) on 7 April 1995.

The company was established under a memorandum of association (as amended by special resolution dated 11 September 2008), which set out the objects and powers of the charitable company, and is governed under its articles of association.

The charity's trustees are appointed as directors of the company and are also its members. Every member guarantees to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total amount of such guarantees at 31 March 2017 was £6 (2016 - £5). The trustees have no beneficial interest in the charity.

The charity is also registered in Scotland (registration number SC38093), where it continues to carry out fundraising activities to support the charity's projects.

Emerge Poverty Free was previously known as World Emergency Relief (WER-UK). In June 2011, the organisation re-branded so that its name and values were better aligned with its work. Since March 2013, the organisation has been solely branded as EmERGE Poverty Free.

The charity has a wholly-owned trading subsidiary, EmERGE Poverty Free (trading) Ltd, a company limited by shares registered in England and Wales (registration number 03532235), which raises funds for the charity through its trading activities. All profits are gift aided to the parent charity. The company has been dormant since October 2016.

Trustees

The trustees of EmERGE Poverty Free govern the charity's activities and are legally responsible for the overall control of the charity and for ensuring that it is properly managed.

The Board's principal roles are:

- approving the mission, strategies, high level policies and strategic plan;
- appointing and overseeing the Chief Executive;
- monitoring performance and risk management;
- reporting performance with integrity and transparency;
- ensuring compliance with UK law and Charity Commission regulations;
- managing its own governance processes, including evaluation of Board, Chair and individual trustee performance; and
- adding value by advising management.

The trustees delegate responsibility for the day-to-day running of the charity to the Chief Executive Officer (CEO), who reports directly to the Board and manages the execution of the strategy as directed by the Board. The CEO is assisted by a management team comprising those who have responsibility for finance, fundraising and overseas projects.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts. The trustees who served during the year and up to the date of this report are listed on page 1.

Trustees' Annual Report For the year ended 31 March 2017

Trustee recruitment and appointment

Emerge Poverty Free recognises that an effective Board of Trustees is essential if the charity is to be effective in achieving its objects. The Board seeks to be representative of the people with whom the charity works and have available to it all of the knowledge and skills required to run the charity. Individual trustees must have sufficient knowledge, both of trusteeship in general and of the charity's activities, to enable them to carry out their role and to represent the charity at meetings and other events.

The existing trustees are responsible for recruiting new trustees although specific administrative tasks may be delegated by the Board to the CEO and Senior Management Team. The Board may at any time appoint any person duly qualified to be appointed as a trustee to fill a vacancy in their number or as an additional trustee. The minimum number of trustees is set at three and there is no set maximum number.

Efforts at recruiting new trustees take account of any recent skills audit and gaps in skills/experience that have been identified, and specific roles or duties that need to be undertaken. Once the ideal skill/experience profile has been identified a recruitment plan is formulated. This identifies the most appropriate resources from which applicants might be found. Preference is given to advertisement in the media over approaches to personal contacts as the intention is to promote diversity and to avoid conflicts of interest.

Emerge Poverty Free seeks to ensure diversity in its Board of Trustees as well as in its staff base and consideration will be given to ways in which groups that are under represented on the board might be reached and encouraged to apply.

Trustee induction and training

New trustees undergo an orientation day to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the decision making processes, the strategic plan and recent financial performance 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. Trustees are given the opportunity to visit the charity's projects and partners in east Africa.

Related parties and relationships with other organisations

All trustees and key management personnel are required to disclose any related parties and conflicts of interest. There were no transactions with any other related parties during the year and none of the charity's trustees receives remuneration or other benefit from their work with the charity as a trustee.

Partnerships with other organisations

Emerge Poverty Free works through local partner organisations across east Africa, who are rooted in and understand the communities in which they work and are best placed to support them. During the 2016-17, the charity worked with 11 local partner organisations across 6 different countries in east Africa. Full details of grants paid to partner organisations during the reporting period are disclosed in note 6 to the financial statements.

The charity also engages with the private sector in various ways and the charity has continued to seek to form strategic corporate partnerships in support of the charity's aims and objectives.

Trustees' Annual Report For the year ended 31 March 2017

Emerge Poverty Free (Trading) Limited

The charity owns the whole of the issued ordinary share capital of Emmerge Poverty Free (Trading) Limited, a company registered in England. The trading subsidiary carries out non-primary purpose trading activities and available profits are gift aided to the charitable company. Two directors served the trading subsidiary during the financial year: Margaret Edwards and Nicholas Milton, who are also trustees of the parent charity.

The trading subsidiary has been effectively dormant since November 2015, but gift-aided its interest income of £70 to the charity. Profits gift-aided to the charity in the previous year totalled £56,000 on turnover of £93,000. A summary of the results of the subsidiary is disclosed in note 15 to the financial statements.

Remuneration policy for key management personnel

The key management personnel of the charity include the trustees and the CEO, who are in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees give their time freely and no fees or remuneration are paid for serving as a trustee of Emmerge Poverty Free. The charity reimburses reasonable expenses incurred in the course of acting as a trustee. This includes travel and accommodation expenses required to attend meetings, training and orientation costs (which may include a visit to one or more of the charity's projects in east Africa). Every effort is made to ensure costs are modest. Details of trustees' expenses and related party transactions are disclosed in note 8 to the accounts.

In deciding appropriate pay levels, Emmerge Poverty Free aims to strike a balance between paying enough to recruit and keep people with the skills we need, our employees' needs, and the public and our donors' expectations that the money they entrust us with are used wisely.

During 2016-17, the charity employed an interim CEO on a consultancy basis. In setting the interim CEO's pay, the Board takes account of the skills and experience required for the role and the remuneration in the sectors from which suitable candidates for such posts would be found.

Statement of responsibilities of the trustees

The trustees (who are also directors of Emmerge Poverty Free for the purposes of company law) are responsible for preparing the trustees' annual 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 that give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 presume that the charity will continue in operation.

Trustees' Annual Report For the year ended 31 March 2017

The trustees are responsible for keeping adequate accounting records that 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Sayer Vincent LLP were reappointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 7 July 2017 and signed on their behalf by:-

Margaret Edwards
Chair of Trustees

Independent auditors' report to the members of Emerge Poverty Free

Opinion

We have audited the financial statements of Emerge Poverty Free (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. 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 group's and of the parent charitable company's affairs as at 31 March 2017 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group's or the parent 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Independent auditors' report to the members of Emerge Poverty Free

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- the trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 auditor's 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.

Independent auditors' report to the members of Emerge Poverty Free

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 on the effectiveness of the group'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 group's or the parent 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 auditor's 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 auditor's report. However, future events or conditions may cause the group or the parent 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;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Jonathan Orchard (Senior statutory auditor)
for and on behalf of Sayer Vincent LLP, Statutory Auditors
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Date:

Sayer Vincent LLP is eligible to act as auditors in terms of section 1212 of the Companies Act 2006

**Consolidated Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 March 2017**

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Income from:					
Donations and legacies	3	388,891	79,084	467,975	633,238
Charitable activities	4	-	64,298	64,298	111,875
Other trading activities	15	-	-	-	93,232
Investments		234	-	234	676
Total income		389,125	143,382	532,507	839,021
Expenditure on:					
Raising donations and legacies		281,332	-	281,332	367,224
Charitable activities:					
Overseas projects	6	244,004	145,689	389,693	521,087
Other trading activities	15	-	-	-	36,240
Tax payable by subsidiary	12, 15	-	-	-	1,424
Total expenditure	5	525,336	145,689	671,025	925,975
Net expenditure and net movement in funds for the year	7	(136,211)	(2,307)	(138,518)	(86,954)
Reconciliation of funds:					
Total funds brought forward		353,916	5,868	359,784	446,738
Total funds carried forward		£ 217,705	£ 3,561	£ 221,266	£ 359,784

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 19.

Balance Sheets
as at 31 March 2017

	Notes	Group		Charity	
		2017	2016	2017	2016
		£	£	£	£
Fixed assets:					
Investment in subsidiary	15	-	-	2	2
Current assets:					
Debtors	16	59,372	106,306	59,372	191,701
Cash at bank and in hand		219,845	355,278	219,844	268,461
		<u>279,217</u>	<u>461,584</u>	<u>279,216</u>	<u>460,162</u>
Liabilities:					
Creditors: amounts falling due within one year	17	(57,951)	(101,800)	(57,952)	(100,380)
Net current assets		221,266	359,784	221,264	359,782
Net assets	18	<u>£ 221,266</u>	<u>£ 359,784</u>	<u>£ 221,266</u>	<u>£ 359,784</u>
Funds:					
Restricted income funds	19	3,561	5,868	3,561	5,868
Unrestricted funds:					
Designated funds		2,836	2,503	2,836	2,503
General fund		214,869	351,413	214,869	351,413
		<u>217,705</u>	<u>353,916</u>	<u>217,705</u>	<u>353,916</u>
Total charity funds		<u>£ 221,266</u>	<u>£ 359,784</u>	<u>£ 221,266</u>	<u>£ 359,784</u>

Approved by the trustees on 7 July 2017 and signed on their behalf by:-

Margaret Edwards
Trustee, Chairperson

**Consolidated Statement of Cash Flows
for the year ended 31 March 2017**

	Notes	£	2017 £	£	2016 £
Cash flows from operating activities:					
Net cash used in operating activities	20		(135,667)		(34,203)
Cash flows from investing activities:					
Dividends, interest and rents from investments		234		676	
Net cash provided by investing activities			234		676
Change in cash and cash equivalents in the year			(135,433)		(33,527)
Cash and cash equivalents at the beginning of the year			355,278		388,805
Cash and cash equivalents at the end of the year			219,845		355,278

**Notes to the financial statements
for the year ended 31 March 2017**

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

The charitable company 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 or note(s).

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Emmerge Poverty Free (Trading) Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The financial statements are presented in sterling and are rounded to the nearest pound.

(b) Going concern

After reviewing the charity's forecasts and projections, and making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, the charity continues to adopt the going concern basis in preparing its consolidated financial statements.

The charity held £214,900 in free reserves as at 31 March 2017, which is within the target range of the trustees' policy for reserves; however, the continued decline in public donations, along with the unpredictability of legacy receipts and slow growth of other revenue streams, means that the future income of the charity remains uncertain.

The charity's future income is more certain following confirmation of a Comic Relief grant in 2017-18 worth £350,000 over 3 years; however, it continues to seek to diversify its fundraising so that the variety of income streams provides greater stability of overall income. In addition, the trustees are also seeking closer collaboration with other charities to enable the charity's work to continue on a more stable

The trustees have given due consideration to the working capital and cash flow requirements of the charity, and consider the charity's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months.

**Notes to the financial statements
for the year ended 31 March 2017**

1. ACCOUNTING POLICIES (continued)

(c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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 charity 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 received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income received that has specific restrictions placed upon its use is recognised as restricted income on a receivable basis. Unspent balances are carried forward within the relevant restricted fund.

Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable.

(d) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(e) Interest receivable

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

**Notes to the financial statements
for the year ended 31 March 2017**

1. ACCOUNTING POLICIES (continued)

(f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

(g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the direct costs of activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(h) Allocation of support costs and governance costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central functions including premises and back office costs, finance, IT, HR, payroll, governance and strategy costs, is apportioned on the following basis:

- Premises and back office costs are apportioned based on the full-time equivalent (FTE) headcount associated with each activity.
- Central support function costs including finance, IT, and HR costs are apportioned based on the direct staff costs associated with each fundraising and charitable activity.
- Governance costs are apportioned based on the total costs of fundraising and charitable activities after allocations of all other support costs.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**Notes to the financial statements
for the year ended 31 March 2017**

1. ACCOUNTING POLICIES (continued)

(i) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

(j) Tangible fixed assets and depreciation

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Office equipment	-	4 years
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(k) Investment in subsidiary

The investment in the subsidiary is valued at cost.

(l) Debtors

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

(m) Cash at bank and in hand

Cash at bank and cash 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.

(n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity 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.

(o) Pensions

The company operates a defined contribution pension scheme. Contributions are recognised as they become payable in accordance with the rules of the scheme.

(p) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. All exchange differences are written off to the Statement of Financial Activities.

Notes to the financial statements
for the year ended 31 March 2017

2. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	<i>Unrestricted Funds 2016 £</i>	<i>Restricted Funds 2016 £</i>	<i>Total Funds 2016 £</i>
Income from:			
Donations and legacies	625,934	7,304	633,238
Charitable activities	6,370	105,505	111,875
Other trading activities	93,232	-	93,232
Investments	676	-	676
Total income	<u>726,212</u>	<u>112,809</u>	<u>839,021</u>
Expenditure on:			
Raising donations and legacies	367,224	-	367,224
Charitable activities:			
Overseas projects	346,132	174,955	521,087
Other trading activities	36,240	-	36,240
Tax payable by subsidiary	1,424	-	1,424
Total expenditure	<u>751,020</u>	<u>174,955</u>	<u>925,975</u>
Net expenditure and net movement in funds for the year	(24,808)	(62,146)	(86,954)
Reconciliation of funds:			
Total funds brought forward	378,724	68,014	446,738
Total funds carried forward	<u>£ 353,916</u>	<u>£ 5,868</u>	<u>£ 359,784</u>

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	<i>Total Funds 2016 £</i>
Public donations and gifts	264,399	77,363	341,762	397,760
Legacies	105,336	-	105,336	198,121
Events	17,956	1,721	19,677	27,478
Grants	50	-	50	5,200
Corporate donations and gifts	1,150	-	1,150	4,679
	<u>£ 388,891</u>	<u>£ 79,084</u>	<u>£ 467,975</u>	<u>£ 633,238</u>

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

Notes to the financial statements
for the year ended 31 March 2017

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	<i>Total Funds 2016 £</i>
<i>Institutional donors:</i>				
Casa Mining Ltd	-	-	-	5,597
Charles Hayward Foundation	-	-	-	11,800
Evan Cornish Foundation	-	6,000	6,000	-
JTI South Sudan	-	3,893	3,893	70,001
TCC	-	39,775	39,775	-
Other	-	14,630	14,630	12,850
	-	64,298	64,298	100,248
<i>Other:</i>				
The Speckled Jims	-	-	-	9,107
Consultancy fees	-	-	-	2,520
	£ Nil	£ 64,298	£ 64,298	£ 111,875

The names of the institutions and total value of amounts received are disclosed separately above where the total value of receipts from an institution are £5,000 or more in the current or previous financial period.

The charity did not receive any government grants during the current or previous year.

Notes to the financial statements
for the year ended 31 March 2017

5. ANALYSIS OF EXPENDITURE

	Raising donations and legacies £	Other trading activities £	Overseas projects £	Gifts in kind £	Governance £	Support £	Tax payable £	2017 Total £	2016 Total £
Staff costs (note 9)	92,931	-	102,541	-	25,636	99,339	-	320,447	361,618
Direct fundraising costs	83,865	-	-	-	-	-	-	83,865	137,113
Trading costs	-	-	-	-	-	-	-	-	13,283
Grants to partner organisations (note 6)	-	-	162,306	-	-	-	-	162,306	292,861
Other direct charitable costs	-	-	6,010	-	-	-	-	6,010	12,987
Audit fees	-	-	-	-	8,000	-	-	8,000	8,560
Other governance costs	-	-	-	-	18,138	-	-	18,138	1,878
Premises costs	-	-	-	-	-	46,750	-	46,750	47,120
General administrative costs	-	-	-	-	-	27,052	-	27,052	31,312
Legal and professional costs	-	-	-	-	-	1,110	-	1,110	3,187
Depreciation	-	-	-	-	-	-	-	-	5,375
Loss on disposals	-	-	-	-	-	-	-	-	8,618
Foreign exchange losses/(gains)	-	-	-	-	-	(2,653)	-	(2,653)	639
Tax payable	-	-	-	-	-	-	-	-	1,424
	176,796	-	270,857	-	51,774	171,598	-	671,025	925,975
Support costs	75,439	-	78,532	-	17,627	(171,598)	-	-	-
Governance costs	29,097	-	40,304	-	(69,401)	-	-	-	-
2017 Total expenditure	£ 281,332	£ Nil	£ 389,693	£ Nil	£ Nil	£ Nil	£ Nil	£ 671,025	£ 925,975
2016 Total expenditure	£ 367,224	£ 36,240	£ 521,087	£ Nil	£ Nil	£ Nil	£ 1,424	£ 925,975	

Of the total expenditure, £525,336 was unrestricted (2016: £751,020) and £145,689 was restricted (2016: £174,955).

Notes to the financial statements
for the year ended 31 March 2017

6. OVERSEAS PROJECTS

	Grants payable to partner organisations £	Staff & other direct costs £	Support & governance costs £	2017 £	2016 £
Burundi					
ARM Burundi	25,100	16,789	18,376	60,265	11,972
DR Congo					
BCHC	919	615	673	2,207	28,428
SOFAD	-	-	-	-	9,958
	919	615	673	2,207	38,386
Kenya					
IPHC Huruma	-	-	-	-	21,437
GWAKO	-	-	-	-	8,980
	-	-	-	-	30,417
South Sudan					
ANCC South Sudan	3,994	2,671	2,924	9,589	178,342
YAASO	5,380	3,598	3,939	12,917	8,950
	9,374	6,269	6,863	22,506	187,292
Tanzania					
Child in Action	15,689	10,493	11,487	37,669	8,897
SIDI	23,623	15,799	17,296	56,718	6,884
	39,312	26,292	28,783	94,387	15,781
Uganda					
ANCC Uganda	22,989	15,375	16,832	55,196	124,459
URICT	52,264	34,954	38,266	125,484	71,859
Agape Of Hope	812	543	595	1,950	30,771
ARUWE	8,189	5,477	5,996	19,662	8,902
ANASI	3,347	2,237	2,452	8,036	1,248
	87,601	58,586	64,141	210,328	237,239
	£ 162,306	£ 108,551	£ 118,836	£ 389,693	£ 521,087

The total value of payments made to partner organisations during the year was £162,306 (2016: £292,861). Total expenditure on the activity, including staff costs and support cost allocations was £389,693 (2016: £521,087), of which £244,004 was unrestricted (2016: £346,132) and £145,689 was restricted (2016: £174,955).

**Notes to the financial statements
for the year ended 31 March 2017**

7. NET EXPENDITURE FOR THE YEAR

This is stated after charging / (crediting):

	2017	<i>2016</i>
	£	<i>£</i>
Depreciation	-	5,375
Loss on disposal of fixed assets	-	8,618
Operating lease rentals:		
Property	33,894	33,894
Other	1,135	1,647
Auditors' remuneration (excluding VAT):		
Statutory audit fee - current period	6,500	7,300
Statutory audit fee - prior period under-accrual	200	-
Other services	1,110	350
(Gain)/loss on foreign exchange	(2,653)	639
	<u>(2,653)</u>	<u>639</u>

8. TRUSTEE REMUNERATION AND EXPENSES

Three of the charity's trustees claimed expenses during the year (2016: two). The total amount of expenses reimbursed was £966 (2016: £544) for travel, accommodation and subsistence costs relating to attendance at meetings of the trustees.

9. ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	2017	<i>2016</i>
	£	<i>£</i>
Wages and salaries	188,183	285,688
Social security costs	16,050	17,391
Employer's contribution to defined contribution pension schemes	9,940	14,240
Temporary staff and consultants	100,906	32,635
Other employee benefits and staff costs	5,368	11,664
	<u>£ 320,447</u>	<u>£ 361,618</u>

No employee earned more than £60,000 during the year (2016: nil).

The key management personnel of the charity comprises the trustees and the Interim Chief Executive Officer, who is employed as a consultant. The total costs of the key management personnel were £58,135 (2016: £48,478).

**Notes to the financial statements
for the year ended 31 March 2017**

10. STAFF NUMBERS

The average monthly head count (number of staff employed) during the year including, temporary staff and consultants, was 8.4 (2016: 9) and the average number of employees, calculated as full time equivalents and analysed on a functional basis, during the year was as follows:

	2017	<i>2016</i>
	Number	<i>Number</i>
Raising donations and legacies	2.6	3.5
Other trading activities	-	0.1
Overseas projects	2.4	2.8
Support	1.8	2.1
Governance	0.4	0.2
	<u>7.2</u>	<u>8.7</u>

11. RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose for 2017 (2016: none).

Aggregate donations from related parties were £2,477 (2016: £1,658) of which £1,711 (2016: £500) were restricted donations. There were no donations from related parties which were outside the normal course of business.

12. TAXATION

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary, Emmerge Poverty free (Trading) Limited, donates available profits to the charity. Its charge to corporation tax in the year was:

	2017	<i>2016</i>
	£	<i>£</i>
UK corporation tax at 20% (2016: 20%)	-	<i>1,424</i>
	<u>-</u>	<u>1,424</u>

13. PARENT CHARITY

The parent charity's gross income and the results for the year are disclosed as follows:

	2017	<i>2016</i>
	£	<i>£</i>
Gross income	532,507	<i>807,525</i>
Net income/(expenditure) for the year	<u>(138,518)</u>	<u><i>(86,954)</i></u>

Notes to the financial statements
for the year ended 31 March 2017

14. TANGIBLE FIXED ASSETS - OFFICE EQUIPMENT

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Cost				
At the start of the year	32,967	67,442	32,967	32,967
Disposals	-	(34,475)	-	-
At the end of the year	32,967	32,967	32,967	32,967
Depreciation				
At the start of the year	32,967	53,449	32,967	32,620
Charge for the year	-	5,375	-	347
On disposals	-	(25,857)	-	-
At the end of the year	32,967	32,967	32,967	32,967
Net book value				
At the start of the year	£ Nil	£ 13,993	£ Nil	£ 347
At the end of the year	£ Nil	£ Nil	£ Nil	£ Nil

15. INVESTMENT IN SUBSIDIARY UNDERTAKING

The charitable company owns the whole of the issued ordinary share capital of Emerge Poverty Free (Trading) Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities but has been effectively dormant since November 2016. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2017	2016
	£	£
Turnover	-	93,232
Cost of sales	-	(13,283)
Administrative expenses	-	(22,957)
Interest receivable	70	230
Profit on ordinary activities	70	57,222
Amount gift aided to the charity	(70)	(55,798)
Tax on profit on ordinary activities	-	(1,424)
Retained in subsidiary	£ Nil	£ Nil

The assets and liabilities of the subsidiary were:

Fixed assets	-	13,646
Current assets	2	110,663
Liabilities	-	(124,307)
Net assets	£ 2	£ 2
Aggregate share capital and reserves	£ 2	£ 2

Notes to the financial statements
for the year ended 31 March 2017

16. DEBTORS

	Group		Charity	
	2017	2016	2017	2016
Due within one year	£	£	£	£
Amounts due from subsidiary company	-	-	-	86,266
Legacies receivable	19,377	53,627	19,377	53,627
Prepayments and other debtors	39,995	52,679	39,995	51,808
	<u>£ 59,372</u>	<u>£ 106,306</u>	<u>£ 59,372</u>	<u>£ 191,701</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	6,866	50,536	6,866	50,116
Amounts due to subsidiary company	-	-	1	-
Taxation and social security	3,384	4,130	3,384	4,130
Accruals and other creditors	47,701	47,134	47,701	46,134
	<u>£ 57,951</u>	<u>£ 101,800</u>	<u>£ 57,952</u>	<u>£ 100,380</u>

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			Total Funds
	Designated Funds	General Funds	Restricted Funds	
	£	£	£	£
Net current assets	2,836	214,869	3,561	221,266
	<u>£ 2,836</u>	<u>£ 214,869</u>	<u>£ 3,561</u>	<u>£ 221,266</u>

ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS - PREVIOUS YEAR

	Unrestricted Funds			Total Funds
	Designated Funds	General Funds	Restricted Funds	
	£	£	£	£
Net current assets	2,503	351,413	5,868	359,784
	<u>£ 2,503</u>	<u>£ 351,413</u>	<u>£ 5,868</u>	<u>£ 359,784</u>

Notes to the financial statements
for the year ended 31 March 2017

19. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
DESIGNATED FUNDS					
Staff giving fund	753	907	(574)	-	1,086
Dilapidations fund	1,750	-	-	-	1,750
	<u>£ 2,503</u>	<u>£ 907</u>	<u>£ (574)</u>	<u>£ Nil</u>	<u>£ 2,836</u>

RESTRICTED FUNDS

Burundi - Gitega	-	8,000	(8,000)	-	-
South Sudan - Ikotos	102	3,893	(3,995)	-	-
Tanzania - Empowering Fisherwomen	-	39,775	(39,775)	-	-
Uganda - Maternal Health	-	37,610	(37,610)	-	-
Uganda - Menstrual Hygiene Management	-	7,561	(5,000)	-	2,561
Uganda - WASH	1,200	15,242	(16,442)	-	-
Uganda - Women's Economic Empowerment	-	1,000	-	-	1,000
WASH - General	4,566	30,301	(34,867)	-	-
	<u>£ 5,868</u>	<u>£ 143,382</u>	<u>£ (145,689)</u>	<u>£ Nil</u>	<u>£ 3,561</u>

SUMMARY OF FUNDS

Designated funds	2,503	907	(574)	-	2,836
General funds	351,413	388,218	(524,762)	-	214,869
	<u>353,916</u>	<u>389,125</u>	<u>(525,336)</u>	<u>-</u>	<u>217,705</u>
Restricted funds	5,868	143,382	(145,689)	-	3,561
	<u>£ 359,784</u>	<u>£ 532,507</u>	<u>£ (671,025)</u>	<u>£ Nil</u>	<u>£ 221,266</u>

STATEMENT OF FUNDS - PREVIOUS YEAR

	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
DESIGNATED FUNDS					
Staff giving fund	866	1,389	(1,502)	-	753
Dilapidations fund	1,750	-	-	-	1,750
Fixed assets fund	13,993	-	-	(13,993)	-
	<u>£ 16,609</u>	<u>£ 1,389</u>	<u>£ (1,502)</u>	<u>£ (13,993)</u>	<u>£ 2,503</u>

RESTRICTED FUNDS

Burundi - Gitega	4,860	-	(4,860)	-	-
DR Congo - Misisi	5,426	5,597	(11,023)	-	-
South Sudan - Ikotos	33,732	70,001	(103,631)	-	102
Uganda - Maternal Health	-	6,830	(6,830)	-	-
Uganda - WASH	23,996	25,815	(48,611)	-	1,200
WASH - General	-	4,566	-	-	4,566
	<u>£ 68,014</u>	<u>£ 112,809</u>	<u>£ (174,955)</u>	<u>£ Nil</u>	<u>£ 5,868</u>

Notes to the financial statements
for the year ended 31 March 2017

20. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PREVIOUS YEAR

Designated funds	16,609	1,389	(1,502)	(13,993)	2,503
General funds	362,115	724,823	(749,518)	13,993	351,413
	378,724	726,212	(751,020)	-	353,916
Restricted funds	68,014	112,809	(174,955)	-	5,868
	£ 446,738	£ 839,021	£ (925,975)	£ Nil	£ 359,784

Purposes of restricted funds

Burundi - Gitega: The charity received funds during the year to support its work in Gitega, Burundi. These funds were fully expended by the year-end.

South Sudan - Ikotos: The charity received funds during the year for an ongoing project in Ikotos, South Sudan. The project was completed during the year and funds have been fully expended.

Tanzania - Empowering Fisherwomen: Following a successful pilot project in 2015-16, the charity received further funds for a project empowering fisherwomen in Mwanza, Tanzania.

Uganda - Maternal Health: The charity carried out a fundraising appeal during the year to support maternal health and safe motherhood projects in Uganda. These funds were fully expended by the year-end.

Uganda - Menstrual Hygiene Management: The charity received donations from various sources during the year in support of its menstrual health management projects in Uganda. A balance of £2,561 is carried forward at the year-end to be expended in 2017-18.

Uganda - WASH: The charity received funds in the current and prior year that have been specifically donated to support WASH projects in Uganda.

Uganda - Women's Economic Empowerment: The charity received a grant towards women's economic empowerment projects in Uganda. The balance of £1,000 is carried forward at the year-end to be expended in 2017-18.

WASH - General: The charity received donations from individuals specifically for WASH projects in schools in east Africa.

Purposes of designated funds

Staff giving fund: The charity's staff members are given an opportunity to make personal monthly contributions to a designated fund via Payroll Giving and jointly decide how to spend these funds.

Dilapidation fund: The trustees have set aside an amount as a provision to cover future dilapidations that may become due on termination of the office rental lease.

Fixed assets fund: The trustees have created a capital fund, that is not part of free reserves, equal to the net book value of the charity's tangible fixed assets. The balance on this fund has been reduced to £Nil as all the charity's fixed assets are fully depreciated.

Notes to the financial statements
for the year ended 31 March 2017

20. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(138,518)	(86,954)
Adjustments for:		
Depreciation charges	-	5,375
Bank interest receivable	(234)	(676)
Loss on the disposal of fixed assets	-	8,618
Decrease in debtors	46,934	8,505
(Decrease)/increase in creditors	<u>(43,849)</u>	<u>30,929</u>
Net cash used in operating activities	<u>£ (135,667)</u>	<u>£ (34,203)</u>
	2017	2016
	£	£
Cash at bank and in hand	<u>219,845</u>	<u>355,278</u>
	<u>£ 219,845</u>	<u>£ 355,278</u>

21. OPERATING LEASE COMMITMENTS

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Office equipment	
	2017	2016	2017	2016
	£	£	£	£
Falling due:				
within one year	28,245	33,894	876	1,051
within two to five years	-	28,245	-	876
	<u>£ 28,245</u>	<u>£ 62,139</u>	<u>£ 876</u>	<u>£ 1,927</u>

22. LEGAL STATUS OF THE CHARITY

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute £1 towards the assets of the charity in the event of liquidation.