



Report and Financial Statements

Year ended 31 March 2015

Company number: 03019431

Registered charity numbers: 1045672 (England and Wales) and SC038093 (Scotland)

**Report and financial statements
For the year ending 31 March 2015**

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**Reference and administrative details
For the year ending 31 March 2015**

Company registration number 3019431

Charity registration number 1045672 (England & Wales)
SC038093 (Scotland)

Registered office 5 Skylines Village
Limeharbour
London
E14 9TS

Trustees The trustees who served during the year and up to the date of this report are as follows:

Margaret Edwards	Chair
Candy Bowles	Vice-chair
Nicholas Milton	
Stephen Phillips	
Julie Wong	

Bankers Lloyds Banking Group plc
25 Gresham Street
London
EC2V 7HN

Auditors Sayer Vincent LLP
108-114 Invicta House
Golden Lane
London
EC1Y 0TL

Trustees' report For the year ending 31 March 2015

The trustees, who are also directors of the charity for the purposes of company law, and trustees for charity law purposes, submit their annual report and the financial statements of **emerge poverty free** for the year ending 31 March 2015. The trustees confirm that the annual report and financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities (revised 2005)'.

Structure, governance and management

emerge poverty free is a registered charity (registration number 1045762) and is constituted as a company limited by guarantee (registration number 612172). Its objects and powers are set out in its Memorandum and Articles of Association.

The charity is also registered in Scotland (registration number SC38093), where it continues to carry out fundraising activities to support the charity's world-wide projects. It works closely with Glasgow the Caring City (GtCC), a registered charity in Scotland (registration number SC029090), in sourcing, storage and distribution of gifts-in-kind.

emerge poverty free was formerly World Emergency Relief (WER-UK). In June 2011, the organisation re-branded so that its name and values were better aligned with its work. From 31 March 2013, the organisation is solely branded as **emerge poverty free**.

Trustees

The trustees of **emerge poverty free**, who set strategic policy and monitor how management implement these policies, govern the charity's activities. The trustees who served during the year and up to the date of this report are listed on page 1.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of guarantees at 31 March 2015 was 5 (2014: 5). The trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Trustees are appointed by the Board. Any new Trustees will undergo an induction with the Chair to ensure they are fully briefed on their legal responsibilities, and meet members of the Management Team.

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.

Trustees' report
For the year ending 31 March 2015

Trading subsidiary

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 trading activities. The principal activity of the trading subsidiary is the processing of taxable supplies on behalf of the charity, such as the handling of data from the charity's database.

Two directors served the trading company during the financial year: Jeremy Horner, the charity's CEO, and Margaret Edwards, one of the charity's trustees. **emerge poverty free (trading) ltd** paid to **emerge poverty free** a profit of £93,000 (2014: £68,000) on turnover of £129,000 (2014: £106,000).

Risk management

emerge poverty free holds a register which is used to manage and mitigate operational and strategic risks that arise with our work. The Board of Trustees has assessed these and is satisfied that reasonable steps are being taken to mitigate exposure to these risks. The two identified over-arching strategic risks relate to the receipt of sufficient resources in donations or gifts in kind and the correct expenditure of those resources by our overseas partners.

emerge poverty free continues to seek to diversify its fundraising so that the variety of income streams provides greater stability of overall income, more resistance to negative change in any one stream, and a wider and more varied supporter base.

It is recognised that **emerge poverty free** often works 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. We work closely with partners in-country to understand these local risks and projects are robustly designed to mitigate those risks.

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. **emerge poverty free** operates a 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.

Trustees' report For the year ending 31 March 2015

Objectives and activities

Who is emerge poverty free and what do we do?

The charity's objects are stated as: **emerge poverty free** will work for 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 confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. The public benefit of the charity's activities is outlined below.

Our vision

emerge poverty free believes in a world where every person has the opportunity to reach their full potential poverty free.

Underscoring that vision is our belief that:

- **Poverty is a gross injustice.** It is a prison into which thousands are born each day. Without help few will ever be free.
- **Every child should be free to follow their own path in life,** rather than a destiny fixed by where they are born.

Our mission

The mission of **emerge poverty free** is to empower people to fight poverty themselves.

Underscoring that mission is our understanding that:

- **Education:** The most effective way to become poverty free is to have knowledge and skills. **emerge poverty free** helps people access education, learning and knowledge so that they have the skills to start their journey out of poverty.
- **Sustainability:** When ideas originate in the community they are more sustainable. **emerge poverty free** works solely through locally led organisations within the community so that they can fight poverty long after our support has moved on.
- **Champions:** The fight against poverty is not remote, it is right here and all of us take sides. **emerge poverty free** works with supporters and volunteers in the UK to bring about change, to fundraise and to be champions.

Trustees' report For the year ending 31 March 2015

Our long term objectives

In April 2012 the organisation carried out a strategic review of its vision, goals and objectives. At the end of March 2015 many of the goals were up for review. The agreed goals included:

- **emerge poverty free** will be a charity with a focus on community development to enable communities to 'emerge poverty free.'
- **emerge poverty free** will fund development programmes to make a greater and measureable impact.
- **emerge poverty free** will stabilise and grow our income to support our work. This will be achieved through a cost effective, measurable and sustainable fundraising programme that covers Trusts and Foundations, Corporate donors, Major donors, individual donors and events.
- **emerge poverty free** will strengthen our governance and internal review processes to ensure efficient oversight of the charity and continue to withstand public scrutiny.
- **emerge poverty free** will establish a clear market position and raise awareness of **emerge poverty free** emphasising the uniqueness of the charity's offering in poverty eradication and development.

How this is achieved

emerge poverty free will further its charitable objectives through three specific activities:

- Cash grants (financial support) direct to local partners.
- Gifts-in-Kind (donated commodities) in support of cash grant programmes and emergencies.
- Programme partnership

emerge poverty free works directly with local partners and end beneficiaries to ensure that project grants are based on: local involvement; the level of need; and, the best long term view of self sustainability.

As part of the strategic goals since April 2012, **emerge poverty free** has been developing work with focus communities, where each community has inter-related projects. Whilst the concept of mutually reinforcing projects is positive the definition of community and its fluid nature in the post-conflict countries of East Africa has made it particularly difficult to measure the benefit of a focus community model, as opposed to the benefit of individual projects. These individual projects we have found to be broadly successful.

In line with our strategic objectives, we have continued to move towards a more geographical focus for our cash grants and project work. In 2014/15 the final projects outside of East Africa were completed in Haiti.

We have continued to reduce our Gifts-in-Kind (GIK) programme and solely focus it to supplement our cash grant partners.

**Trustees' report
For the year ending 31 March 2015**

Achievements and performance

How emerge poverty free made a difference during 2014-2015

emerge poverty free continued to partner with those local organisations that we considered to be best placed to legitimately work with and serve our beneficiaries, as we delivered projects which enabled people to work their own way out of poverty. This year we are proud to have partnered with 13 grass roots organisations, mostly in East Africa, some of which are new partners. We have also extended our work into Rwanda and Tanzania.

In 2014/15 the cash grant programme benefitted over 58,700 people and gifts-in-kind programme benefitted over 34,400 people. By working directly with our local partners, **emerge poverty free** was able to achieve this cost effectively. During the year, **emerge poverty free** shipped 4 consignments of humanitarian supplies and donated commodities to various local partners. These were sent in response to requests by the partners and supplemented our cash grant support.

The consignments and the total number of beneficiaries for the year 2014/15 are shown in the table below:

	Burundi	Haiti	Rwanda	Tanzania	Kenya	South Sudan	DR Congo	Uganda	Totals
Partners	1	1	1	1	2	1	1	5	13
Projects	3	1	1	1	2	8	1	7	24
Consignments	2							2	4
Beneficiaries	15,667	3,280	3,375	2,250	3,250	12,380	1,695	51,238	93,135

Some beneficiaries received multiple forms of support from the work of **emerge poverty free**, however these statistics show the primary way an individual benefited. No individual was counted more than once.

A few highlights of the work of emerge poverty free during 2014-2015

South Sudan: Through the funding of an agricultural project our partner, All Nations Christians Care Sudan, was able to expand from 1 to 8 members of staff over the last year. This means that we are now able to have a much greater impact on the ground and begin to start more projects in Ikotos. The agricultural project is challenging, but is already yielding good results and is an ambitious initiative.

Democratic Republic of the Congo: The poultry project carried out by Bunia Children's Hope Centre in Bunia, DRC, was incredibly successful. Chicks were purchased in stages to mitigate the spread of any disease and allow our partner to learn how best to take care of them. Since September 2014, almost 140k eggs have been laid, of which 59k have been used to feed the 700 orphans cared for by the project. The profit from selling the remaining eggs has been used to purchase more chicks and also new tyres for the school bus.

Trustees' report For the year ending 31 March 2015

Uganda: In partnership with ANCC Uganda, **emerge poverty free** has been able to provide 3 primary schools and their local communities in northern Uganda with access to clean water and sanitation facilities. That is 2,104 school children who can now drink water without having to worry about getting ill, attend classes and stay focused.

Uganda: Our new partner Uganda Rural Information and Communication Technology has successfully trained 85 birth attendants and given out 800 Safe Birth Kits as part of their Safe Motherhood project. There has already been a notable change in the attitudes amongst community members, notably, they have succeeded in involving men, who are now fully supportive of their wives during and post pregnancy.

Rwanda: With new partner The Strive Foundation, we have been able to start and scale up a Savings and Loans project for women living in urban slums in Rwanda. After great success at the pilot stage, a total of 675 women have benefitted from this project and have been encouraged to set up their own small businesses to generate income. The profit is mostly spent on sending their children to school.

Burundi: By funding an agricultural project in Burundi, the complete running cost of our Street Children Project will be financially covered from May 2015. The agricultural project will also cover the cost of running the Toddlers' Day Care Centre. It is a great success and something we are very proud of. Not only is this a project which is helping vulnerable children back into society without institutionalising them, it has also become financially self-sustainable by the local partner within 5 years.

Burundi: To supplement our financial support to *African Revival Ministries (ARM)* in Burundi, we provided a container of 60 hospital beds and mattresses plus a further container of hospital equipment. This included a full set of equipment to fit out a surgical unit, maternity ultra-sounds for the maternity clinic at Gitega Health Centre, an x-ray plus x-ray consumables, and defibrillators. This was in addition to the many sheets, robes, sutures, bandages and other general medical equipment and consumables. Those that were not needed in the ARM health clinics, hospital or surgical clinic were distributed to under-funded government hospitals in the area which were desperately in need.

Key developments during the financial year 2014-15

Fundraising

This year, our Corporate Fundraising team has worked closely with the Projects team to develop funding proposals. They have won partnerships with companies including the The People's Operator and CASA Mining Ltd. To strengthen the team further we have recruited a Head of Corporate Fundraising who will join emerge at the start of the new financial year in 2015/16. Their first role will be to review the fundraising strategy, developing a pipeline of potential funders, and creating a corporate fundraising 'ask'. The team continues to develop relationships with Scott Bader and The Speckled Jims.

With the increased cost of direct mail and its reduced cost effectiveness, **emerge poverty free** has also invested in other fundraising streams employing a fundraiser for trusts, foundations and institutional funders.

Trustees' report For the year ending 31 March 2015

emerge poverty free has also engaged a social impact adviser to strengthen the project work and to start up an **emerge poverty free** consultancy, which has started offering services to commercial organisations and other charities.

We would like to give our particular thanks to:

- CASA Mining Ltd
- Eleanor Rathbone Foundation
- Scott Bader Commonwealth Global Charity Fund
- St. Mary's Church, Reigate
- The Allan & Nesta Ferguson Charitable Trust
- The Evan Cornish Foundation
- The Forest Hill Charitable Trust
- The Madeline Mabey Trust
- The Paterson Logan Charitable Trust
- The People's Operator
- The Speckled Jims
- The Ward Family Charitable Trust

Marketing and communications

There has been a strong focus this year on integrating marketing communication channels. This has ensured that collective messages have been released at the beginning of each month across the website, Twitter, Facebook and YouTube. Our digital presence has also grown significantly as we have seen more unique visitors to the website than ever before, and greater digital interaction.

During the year we employed a journalist on a part time basis to help draft articles for the website and to produce articles for development magazines and in digital and print media. We have managed to place several articles and this is a growing aspect to build our brand awareness.

Staffing changes

In 2014/15 the organisation invested in the diversifying of its income streams by employing three new members of staff as mentioned above: a Trusts and Statutory Development Executive and a Social Impact Adviser on a full-time basis and a Journalist on a part-time basis.

Volunteers, internships and corporate volunteering

We continue to benefit from the use of volunteers and interns, who bring significant advantages and increased productivity, giving 508 days of their time to the organisation. **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 could involve.

Trustees' report
For the year ending 31 March 2015

Senior level corporate volunteering provides invaluable knowledge and expertise to **emerge poverty free**. The New Business Development Panel (NBDP) meets on a quarterly basis providing advice and guidance regarding private sector engagement. We also continue to benefit from an IT professional providing one day per week of support and advice from a pension adviser, all pro bono. Their support has been invaluable to the smooth operations of **emerge poverty free**.

Financial review

The group and parent charitable company's results for the financial period ending 31 March 2015 are set out in the attached financial statements and notes. There was only a marginal difference between expenditure and income in this financial year, with net income of £3,000 overall (2014: net income £266,000). The charity incurred a deficit of £21,000 on unrestricted funds (2014: surplus £232,000). Total fund balances retained at 31 March 2015 were £447,000 (2014: £443,000), of which £68,000 (2014: £43,000) was held as restricted funds.

Reserves

The Trustees have established a reserves policy which 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.

At present the target reserves level is calculated as the sum of three months of our total expenditure for the following year.

The group's general unrestricted reserves balance at 31 March 2015 was £362,000 (2014: £374,000), a surplus of £82,000 over the target reserves level of £280,000. This surplus has arisen due to a number of high value legacies received during the year. The Trustees have approved a deficit budget for 2015-16 which will see a forecast reduction in free reserves to slightly below the target level at the end of 2015-16.

Trustees' report For the year ending 31 March 2015

Plans for future periods

emerge poverty free is undertaking a strategic review from which there are some preliminary conclusions:

Overseas project partners

- **emerge poverty free** will continue to fund development programmes to make a greater and measureable impact, and will reach more beneficiaries.
- **emerge poverty free** will continue its geographic focus on East Africa. It is a region where many live below the global poverty line, where we have long-term experience, deep partner relationships and where there is much work still to do.
- **emerge poverty free** will be a charity which enables learning and knowledge. We will look to remove barriers to education and training, especially for women and girls so that they can emerge poverty free.
- **emerge poverty free** has previously managed a large and successful Gifts in Kind programme which we have been reducing since March 2013. From April 2015 we do not intend to continue to ship goods as a standard mechanism of support to our partners and beneficiaries. Whilst there is some immediate relief provided by this method of support, we consider that our resources are better directed, and will provide more impact, by sending cash grants to fund implemented projects and programmes. In extraordinary circumstances the need may arise to send a container of goods to our partners, as a result of a humanitarian response, but we do not intend this to be the normal course of our work.

Fundraising

- **emerge poverty free** will invest, grow and develop our income to support our work. This will be achieved through building our portfolio of trust and foundation partners, developing the organisation so that we are suitable for institutional funding, engaging with a wide range of corporate organisations and advertising our consultancy services for social impact advice. We will have less focus on direct mail fundraising but will continue to look for ways to sustain this income and build other individual giving mechanisms.

Marketing and communications

- **emerge poverty free** will continue to raise awareness of the need for poverty eradication, our work in East Africa, how it contributes to development, and how the UK public can join us in that work.
- **emerge poverty free** are involved in excellent projects overseas. In 2015-2016 we will continue to engage a journalist on a part-time basis to help us raise our profile within the non-profit sector and some of the corporate sectors within which we are fundraising.

**Trustees' report
For the year ending 31 March 2015**

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

Auditors

The charity's auditors, Sayer Vincent LLP, have indicated their willingness to accept re-appointment under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the trustees on 17 July 2015 and signed on its behalf by:

Margaret Edwards

Chair

Statement of Trustees' Responsibilities

The trustees (who are also directors of **emerge 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 which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/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 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 charitable company will continue in operation.

The trustees are responsible for keeping proper 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the 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.

Independent Auditors' Report to the members and trustees of emerge poverty free

We have audited the financial statements of **emerge poverty free** for the year ended 31 March 2015 which comprise the group Statement of Financial Activities, the group and parent charitable company balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable parent company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditors' Report to the members and trustees of emerge poverty free

(continued...)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including the group's 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or 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 take advantage of the small companies' exemption in preparing the report of the trustees' and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Jonathan Orchard

(Senior statutory auditor)
for and on behalf of
Sayer Vincent LLP
Statutory Auditors

108-114 Invicta House
Golden Lane
London
EC1Y 0TL

Date: 17 July 2015

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

emerge poverty free

**Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account)
For the year ended 31 March 2015**

	Note	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	779,873	498,870	1,278,743	3,255,392
Trading income	12	128,542	-	128,542	105,823
Investment income		723	-	723	476
<i>Incoming resources from charitable activities:</i>					
Funding for specific activities	3	-	130,352	130,352	114,383
Consultancy fee income		5,268	-	5,268	-
Total incoming resources		914,406	629,222	1,543,628	3,476,074
Resources expended					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		510,546	-	510,546	757,113
Costs of trading		35,295	-	35,295	40,402
		545,841	-	545,841	797,515
Net incoming resources available for charitable application		368,565	629,222	997,787	2,678,559
<i>Charitable activities:</i>					
Cash grants	8	311,873	111,330	423,203	341,448
Gifts in kind	9	38,286	492,991	531,277	2,014,006
		350,159	604,321	954,480	2,355,454
<i>Governance costs</i>	4	39,824	-	39,824	57,492
Total resources expended	4	935,824	604,321	1,540,145	3,210,461
Net income/(expenditure) for the year	5	(21,418)	24,901	3,483	265,613
Gross transfers between funds	18	-	-	-	-
Net movement in funds for the year		(21,418)	24,901	3,483	265,613
Reconciliation of funds					
Total funds brought forward at 1 April		400,142	43,113	443,255	177,642
Total funds carried forward at 31 March		378,724	68,014	446,738	443,255

All incoming resources and resources expended derive from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed above and in note 18 to the financial statements.

The annexed notes form an integral part of these financial statements

emerge poverty free
Consolidated and Charity Balance Sheets
As at 31 March 2015

Company no. 3019431

	Note	Group		Charity	
		2015 £	2014 £	2015 £	2014 £
Fixed assets					
Tangible assets	11	13,993	23,215	347	950
Investment in subsidiary	12	-	-	2	2
		<u>13,993</u>	<u>23,215</u>	<u>349</u>	<u>952</u>
Current assets					
Debtors	13	114,811	161,211	200,785	222,367
Cash at bank and in hand		388,805	364,459	307,861	318,260
		<u>503,616</u>	<u>525,670</u>	<u>508,646</u>	<u>540,627</u>
Creditors: amounts due within one year	14	<u>70,871</u>	<u>105,630</u>	<u>62,257</u>	<u>98,324</u>
Net current assets		<u>432,745</u>	<u>420,040</u>	<u>446,389</u>	<u>442,303</u>
Net assets	15	<u><u>446,738</u></u>	<u><u>443,255</u></u>	<u><u>446,738</u></u>	<u><u>443,255</u></u>
Funds					
Unrestricted funds:					
Designated funds	18	16,609	26,629	2,963	4,364
General fund	18	362,115	373,513	375,761	395,778
		<u>378,724</u>	<u>400,142</u>	<u>378,724</u>	<u>400,142</u>
Restricted funds	18	<u>68,014</u>	<u>43,113</u>	<u>68,014</u>	<u>43,113</u>
Total charity funds		<u><u>446,738</u></u>	<u><u>443,255</u></u>	<u><u>446,738</u></u>	<u><u>443,255</u></u>

The financial statements were approved and authorised for issue by the trustees on 17 July 2015 and signed on their behalf by:

Margaret Edwards
Trustee, Chairperson

The annexed notes form an integral part of these financial statements

emerge poverty free
Consolidated Cash Flow Statement
For the year ended 31 March 2015

	Note	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	A	23,623	254,239
Returns on investments and servicing of finance	B	<u>723</u>	<u>476</u>
Increase/(decrease) in cash		<u>24,346</u>	<u>254,715</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		<u>24,346</u>	<u>254,715</u>
Change in net cash funds		24,346	254,715
Net cash funds at 1 April 2014		<u>364,459</u>	<u>109,744</u>
Net cash funds at 31 March 2015	C	<u>388,805</u>	<u>364,459</u>
		2015	2014
		£	£
A Reconciliation of deficit of income to net cash outflow from operating activities			
Net movement in funds for the year		3,483	265,613
Net interest received		(723)	(476)
Depreciation		9,222	9,751
(Increase)/decrease in debtors		46,400	(72,407)
Decrease/(increase) in creditors		(34,759)	51,758
Net cash inflow/(outflow) from operating activities		<u>23,623</u>	<u>254,239</u>
B Gross cash flows			
Returns on investments and servicing of finance			
Interest received		<u>723</u>	<u>476</u>
C Analysis of changes in net funds			
	At 1 April 2014	Cash flow	At 31 March 2015
	£	£	£
Cash at bank and in hand	<u>364,459</u>	<u>24,346</u>	<u>388,805</u>

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, with the applicable requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP), issued in March 2005, the Charities Act 2011, the Charities Accounts Scotland) regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005, and under the historical cost accounting rules.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary **emerge 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.

As permitted by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005, a separate statement of financial activities, or income and expenditure account, dealing with the results of the charitable company only has not been presented.

(b) Company status

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

(c) Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

(d) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts in kind are donations of commodities directly usable in charitable programmes, such as food, agricultural, pharmaceutical and medical supplies.

1. Accounting policies (cont...)

The charity has an internationally recognised and accepted monitoring programme in place to ensure that commodities are appropriately valued, culturally appropriate for the designated programme, and can be both properly shipped and distributed free to the designated beneficiaries (see www.aerdo.net). Gifts in kind are included in incoming resources and resources expended at a reasonable estimate of their value to the charity. For pharmaceuticals this value is based on the red book valuation if they are sourced from the United States or Canada and the NHS replacement value if they are sourced from Europe. Volunteer time is not included in the financial statements.

(e) Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Expenditure is allocated between costs of generating funds (voluntary and trading), charitable activities and governance. Where possible the trustees have allocated expenditure directly to the appropriate category. Where costs are not directly attributable to an expense category, these have been allocated to support costs (Note 4) and apportioned between costs of generating funds (voluntary and trading), charitable activities and governance based on time spent.

Grants payable to partner organisations for relief and development projects are included in the Statement of Financial Activities when they are approved by the trustees and agreed with the other organisation. Any of these grants that remain unpaid at the year-end are accrued.

(f) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Office equipment	25% straight line
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(g) Pension costs

The company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity in independently administered funds. The costs of contributions are charged to the SOFA in the year they are payable.

(h) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

(i) 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.

emerge poverty free
Notes to the financial statements
For the year ended 31 March 2015

2. Voluntary income

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Gifts in kind (see Note 9)	-	492,991	492,991	1,979,895
Public donations and gifts	481,492	5,879	487,371	750,868
Legacies	247,430	-	247,430	493,164
Donated services and facilities	28,245	-	28,245	-
Events	13,119	-	13,119	22,794
Foundations & trusts	6,905	-	6,905	6,416
Corporate donations	2,682	-	2,682	2,255
	<u>779,873</u>	<u>498,870</u>	<u>1,278,743</u>	<u>3,255,392</u>

3. Incoming resources from charitable activities

Funding for specific activities	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Anonymous	-	43,878	43,878	-
St Mary's Church, Reigate	-	28,807	28,807	33,228
Casa Mining Ltd	-	20,471	20,471	-
Allan & Nesta Ferguson Charitable Trust	-	20,000	20,000	-
Evan Cornish Foundation	-	4,860	4,860	-
The Speckled Jims	-	4,210	4,210	-
Scott Bader Commonwealth Global Fund	-	-	-	25,000
Cosecha UK	-	-	-	14,000
Charles Hayward Foundation	-	-	-	13,000
Brillig Charitable Trust	-	-	-	11,260
GlobalQuest (Coffey)	-	-	-	6,183
Ashla Charitable Trust	-	-	-	3,000
Coffey International	-	-	-	3,000
Open Gate Trust	-	-	-	2,000
Belacqua Charitable Trust	-	-	-	1,902
Aspire Foundation	-	-	-	1,810
Other	-	8,126	8,126	-
	<u>-</u>	<u>130,352</u>	<u>130,352</u>	<u>114,383</u>

emerge poverty free
Notes to the financial statements
For the year ended 31 March 2015

4. Total resources expended

	Costs of generating voluntary income	Costs of trading	Direct charitable expenditure	Governance costs	Support costs	2015 Total	2014 Total
	£	£	£	£	£	£	£
Staff costs (Note 5) ^{A,B}	127,477	2,787	103,466	16,013	66,596	316,339	266,597
Gifts in kind	-	-	492,991	-	-	492,991	1,979,895
Grants payable	-	-	230,626	-	-	230,626	204,796
Shipping and other costs	-	-	38,286	-	-	38,286	34,111
Fundraising costs	273,279	-	-	-	-	273,279	561,898
Overheads	-	-	-	-	118,737	118,737	108,916
Audit fees	-	-	-	9,700	-	9,700	7,300
Legal & professional fees	-	-	-	-	7,537	7,537	5,694
Trustees' expenses	-	-	-	320	-	320	597
Depreciation	-	8,619	-	-	603	9,222	9,751
Other expenses	-	-	-	-	21,619	21,619	8,886
Costs of trading	-	21,489	-	-	-	21,489	22,019
Total resources expended	400,756	32,895	865,369	26,033	215,092	1,540,145	3,210,460
Support costs ^B	109,790	2,400	89,111	13,791	(215,092)	-	-
Total resources expended	510,546	35,295	954,480	39,824	-	1,540,145	3,210,460

A: Allocation of staff costs to various activities is based on the amount of time spent by staff on each activity.

B: Where costs are not directly attributable to an expense category, these have been allocated to support costs and apportioned between costs of generating funds (voluntary and trading), charitable activities and governance based on time spent.

emerge poverty free
Notes to the financial statements
For the year ended 31 March 2015

5. Net income/(expenditure) for the year

This is stated after charging /(crediting):

	2015	2014
	£	£
Auditors' remuneration:		
- Audit	8,250	8,250
- (Over) accrual for previous year	-	(2,000)
- Other services	350	-
Depreciation	9,222	9,751
Operating lease rentals:		
- Property	17,410	40,250
- Other	1,858	2,315
(Gain)/loss on foreign exchange	(177)	245

6. Trustees' remuneration

The trustees neither received nor waived any emoluments during the year (2014: £Nil).

Out of pocket expenses totalling £320 (2014: £597) were reimbursed to two trustees (2014: 2 trustees) for travel costs related to attendance at meetings of the trustees.

7. Staff costs

	2015	2014
	£	£
Salaries and wages	256,308	225,094
Social security costs	24,524	21,541
Pension contributions	11,822	10,221
Other staff costs	23,685	9,741
	316,339	266,597
Total emoluments paid to staff were:	268,130	235,315

No employee earned more than £60,000 during the year.

The average number of employees (full-time equivalent) during the year was as follows:

	2015	2014
Direct charitable expenditure	2.5	1.4
Generating voluntary income	3.1	3.0
Governance	0.4	0.5
Support	1.6	1.7
Trading operations	0.1	0.1
	7.7	6.7

emerge poverty free
Notes to the financial statements
For the year ended 31 March 2015

8. Grants payable by location

	Cash grant value £	Staff & support costs £	2015 £	2014 £
Africa				
South Sudan	75,192	62,787	137,979	78,839
Burundi	71,715	59,883	131,598	128,749
Uganda	46,998	39,244	86,242	37,477
DR Congo	16,583	13,847	30,430	18,622
Rwanda	10,024	8,370	18,394	-
Kenya	3,109	2,596	5,705	4,555
Tanzania	1,999	1,669	3,668	-
	<u>225,620</u>	<u>188,396</u>	<u>414,016</u>	<u>268,242</u>
Central America & Caribbean				
Haiti	5,006	4,181	9,187	49,864
Guatemala	-	-	-	23,342
	<u>5,006</u>	<u>4,181</u>	<u>9,187</u>	<u>73,206</u>
Total	<u>230,626</u>	<u>192,577</u>	<u>423,203</u>	<u>341,448</u>

9. Gifts-in-Kind

The following donations made during the year were classified as Gifts-in-Kind and valued in accordance with current market conditions prevailing when the gifts were made.

	Gifts-in- Kind value £	Shipping costs £	2015 £	2014 £
Africa				
Uganda	249,853	21,132	270,985	129,272
Burundi	243,138	17,154	260,292	75,844
South Africa	-	-	-	265,816
	<u>492,991</u>	<u>38,286</u>	<u>531,277</u>	<u>470,932</u>
Asia				
Philippines	-	-	-	1,543,074
Total	<u>492,991</u>	<u>38,286</u>	<u>531,277</u>	<u>2,014,006</u>

emerge poverty free
Notes to the financial statements
For the year ended 31 March 2015

10. Parent charity

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

	2015	2014
	£	£
Gross income	1,512,522	3,419,433
Net income/(expenditure) for the year	<u>3,483</u>	<u>240,614</u>

11. Tangible fixed assets

Group	2015
	Office
	Equipment
	£
Cost	
At the start of the year	<u>67,442</u>
At the end of the year	<u>67,442</u>
Depreciation	
At the start of the year	44,227
Charge for the year	<u>9,222</u>
At the end of the year	<u>53,449</u>
Net book value	
At the end of the year	<u>13,993</u>
At the start of the year	<u>23,215</u>
Charity	2015
	Office
	Equipment
	£
Cost	
At the start of the year	<u>32,967</u>
At the end of the year	<u>32,967</u>
Depreciation	
At the start of the year	32,017
Charge for the year	<u>603</u>
At the end of the year	<u>32,620</u>
Net book value	
At the end of the year	<u>347</u>
At the start of the year	<u>950</u>

emerge poverty free
Notes to the financial statements
For the year ended 31 March 2015

12. Investments - 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, primarily sale of data. 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:

	2015	2014
	£	£
Turnover	128,544	105,824
Cost of sales	(13,836)	(11,526)
Gross profit	114,708	94,298
Administrative expenses	(22,260)	(26,758)
Operating profit	92,448	67,540
Interest receivable	158	60
Profit on ordinary activities	92,606	67,600
Donation to parent undertaking	(92,606)	(67,600)
Profit for financial year	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	91,561	91,561
Liabilities	(91,561)	(91,561)
Funds	-	-

13. Debtors

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	17,762	15,160	-	-
Amounts due from subsidiary company	-	-	114,881	84,255
Accrued income	10,525	32,279	-	25,000
Prepayments and other debtors	86,524	113,772	85,904	113,112
	114,811	161,211	200,785	222,367

emerge poverty free
Notes to the financial statements
For the year ended 31 March 2015

14. Creditors: amounts falling due within one year

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	38,704	73,126	36,358	70,796
Taxation and social security	11,657	9,586	7,456	6,379
Accruals and other creditors	20,510	22,918	18,443	21,149
	70,871	105,630	62,257	98,324

15. Analysis of group net assets between funds

	General	Designated	Restricted	Total Funds
	funds	Funds	Funds	
	£	£	£	£
Tangible fixed assets	-	13,993	-	13,993
Cash at bank and in hand	318,175	2,616	68,014	388,805
Other current assets	114,811	-	-	114,811
Current liabilities	(70,871)	-	-	(70,871)
	362,115	16,609	68,014	446,738

16. Operating lease commitments

The charity and group had annual commitments at the year end under operating leases expiring as follows:

	2015		2014	
	Land & Buildings	Other	Total	Total
	£	£	£	£
Leases expiring in 1 - 2 years	-	1,828	1,828	39,316
Leases expiring in 2 - 5 years	33,900	-	33,900	-

17. 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 **emerge poverty free (trading) limited** donates available profits to the charity. Its charge to corporation tax in the year was:

	2015	2014
	£	£
UK corporation tax at 20% (2014 : 20%)	-	-

emerge poverty free
Notes to the financial statements
For the year ended 31 March 2015

18. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Burundi - Gitega	9,468	277,816	(282,424)	-	4,860
DR Congo - Misisi	-	20,471	(15,045)	-	5,426
Haiti - Cité Soleil	2,698	5,095	(7,793)	-	-
South Sudan - Ikotos	21,857	44,878	(33,003)	-	33,732
Uganda - Lira	-	280,562	(256,566)	-	23,996
"I Love School" Appeal	9,090	400	(9,490)	-	-
Total restricted funds	43,113	629,222	(604,321)	-	68,014
Unrestricted funds:					
<i>Designated funds:</i>					
Fixed asset fund	23,215	-	-	(9,222)	13,993
Dilapidation fund	1,750	-	-	-	1,750
Staff giving fund	1,664	846	(1,644)	-	866
Total designated funds	26,629	846	(1,644)	(9,222)	16,609
<i>General fund</i>	373,513	913,560	(934,180)	9,222	362,115
Total funds	443,255	1,543,628	(1,540,145)	-	446,738

Restricted funds

Burundi - Gitega: Funds and gifts in kind have been specifically donated to support the work of **emerge poverty free** in Gitega, Burundi.

DRC - Misisi: During the year, **emerge poverty free** received funds to carry out a needs assessment and manage a community development project in the Misisi region of South Kivu (DRC).

Haiti - Cité Soleil: The *I Love School* campaign started in January 2011 to support 5 community schools in Cité Soleil, Port-au-Prince. The charity's activities in Haiti ended in 2014-15 and all funds have been fully expended.

South Sudan - Ikotos: emerge poverty free has established multiple projects in Ikitos, South Sudan. These projects include clean water initiatives, educational programmes for children, teacher training programmes, and training in vocational trades.

Uganda - Lira: Funds and gifts in kind have been specifically donated to support the work of **emerge poverty free** in Lira, Uganda.

"I Love School" Appeal: this appeal, launched in 2013-14, raised funds for the charity's educational projects taking place in some of the poorest communities around the world. The funds were fully expended in 2014-15.

18. Movements in funds (cont...)

Designated funds

Fixed asset fund: The Trustees have created a capital fund, that is not part of free reserves, equal to the net book value of the organisations fixed assets.

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.

Staff giving fund: **emerge poverty free** 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.