

EMMAUS EUROPE

THE ANNUAL ACCOUNTS

Financial year ending on 31st December 2014

Dear Sir / Madam,

In compliance with the assignment given to us by your Regional Council, we are presenting our report relating to the financial year ending on 31 December 2014:

- Audit of Emmaus Europe's annual accounts, as attached to the report.
- Justification of assessment
- Specific checks and information required by law.

Your Regional Council approved the annual accounts. It is our duty, based on our audit, to express an opinion on these accounts.

I - OPINION OF THE ANNUAL ACCOUNTS

We have conducted our audit in accordance with the professional standards applicable in France. These standards require checks to be carried out to give reasonable assurance that the annual accounts are free from significant irregularities. An audit involves verifying evidence of the amounts and disclosures that appear in the annual accounts using spot checks or other selection methods. An audit also involves assessing the accounting principles that have been followed, significant estimates made and the presentation of the entire set of accounts. We believe that we have collected sufficient and appropriate information on which to base our opinion.

We certify that the annual accounts, in light of French accounting rules and principles, are in order and are genuine, and provide a faithful image of the operating result from the previous financial year and of the association's financial position and property at the end of the financial year.

Without calling into question the opinion expressed above, we wish to draw your attention to the following point in note E of the appendix regarding the setting aside of a provision for expenditure.

II - JUSTIFICATION OF ASSESSMENT

In application of the provisions of article L 823-9 of the Code of Commerce relating to justification of our assessment, we inform you that in the absence of significant events and important decisions affecting the accounting policy and the presentation of the accounts, our assessment does not require any special justification.

II – CHECKS AND SPECIFIC INFORMATION

In accordance with the professional standards applicable in France, we also carried out the specific checks laid down by the law.

We have no observations to make about the veracity and correlation with the annual accounts of the information about the financial situation and annual accounts given in the treasurer's report and in the documents sent to the members.

Saint-Germain-en-Laye
3rd February 2014
Auditor,
SEGESTE

Sylvie Thizon

EMMAUS EUROPE

THE ANNUAL ACCOUNTS

Financial year ending on 31st December 2014

ASSETS STATEMENT

	31/12/2014			31/12/2013
	Gross	Depreciations and provisions	Net	Net
PERMANENT ASSETS				
Intangible assets				
Software	7 957,46	7 957,46	0,00	2 739,87
Tangible assets				
Office equipment	8 519,06	7 437,54	1 081,52	2 242,23
General installation	1 949,69	206,28	1 743,41	1 938,47
Financial assets				
Banca Etica shares	2 625,00		2 625,00	2 625,00
Loan applications	100 000,00		100 000,00	0,00
Emmaus Ethical Fund	150 000,00		150 000,00	150 000,00
TOTAL PERMANENT ASSETS	271 051,21	15 601,28	255 449,93	159 545,57
CIRCULATING ASSETS				
Accounts receivable	27 934,00		27 934,00	17 808,00
Membership fees receivable	19 158,00		19 158,00	12 680,00
Solidarity receivable	7 000,00		7 000,00	4 000,00
Reimbursements receivable	0,00		0,00	0,00
Fiscal claims	1 440,00		1 440,00	0,00
Social law claims	336,00		336,00	1 128,00
Cash flow	250 739,92		250 739,92	308 104,79
Banca Etica	71 043,73		71 043,73	37 276,36
Crédit cooperative	99 139,78		99 139,78	190 955,09
Livret A – Savings account	80 081,35		80 081,35	79 174,10
Cash	475,06		475,06	699,24
Prepaid expenses	1 285,14		1 285,14	0,00
TOTAL CIRCULATING ASSETS	279 959,06	0,00	279 959,06	325 912,79
OVERALL TOTAL	551 010,27	15 601,28	535 408,99	485 458,36

LIABILITIES STATEMENT

	31/12/2014	31/12/2013
	Net	Net
ASSOCIATIVES FUNDS		
Capital resources		
Funds without a clawback clause		
Income from previous financial years	251 995,55	250 429,72
Income from the financial year	1 524,46	1 565,62
Other Emmaus Europe funds		
TOTAL ASSOCIATIVES FUNDS	253 520,01	251 995,34
PROVISIONS FOR CONTINGENCIES AND EXPENSES		
Provisions for expenses	24 000,00	46 000,00
Provisions for contingencies		
TOTAL PROVISIONS	24 000,00	46 000,00
DEDICATED FUNDS		
Dedicated Funds Bosnia	15 552,00	
Dedicated Funds Poland	12 500,00	16 000,00
Dedicated Funds Romania	33 643,29	0,00
Dedicated Funds Ukraine	21 625,29	13 075,29
Dedicated Funds Lithuania	8 000,00	15 530,00
Dedicated Funds Solidarity not allocated	104 232,84	87 406,50
TOTAL DEDICATED FUNDS	195 553,42	132 011,79
DEBTS		
Debts to suppliers and related items	8 204,49	8 746,19
Tax and social security debts	54 131,08	46 655,04
Prepaid income		50,00
TOTAL DEBTS	62 335,56	55 451,23
OVERALL TOTAL	535 408,99	485 458,36

STATEMENT OF PROFIT AND LOSS		
OPERATING INCOME	31/12/2014	31/12/2013
2010 Membership fees	50,00	0,00
2011 Membership fees	925,00	0,00
2012 Membership fees	1 525,00	14 183,61
2013 Membership fees	6 025,00	245 334,93
2014 Membership fees	279 804,26	
Emmaus International contribution - Follow-up/ Assessment	3 684,00	6 139,00
Emmaus International - Operating		
Operating and other contributions		39 500,00
Other income RAEE contributions		
Reversal of provisions for contingencies and charges	22 000,00	48 000,00
Transfer of expenditure	1 440,00	0,00
Operating sub-total	315 453,26	353 157,54
Solidarity collection for dedicated funds	309 745,37	315 582,95
Emmaus International contribution	5 000,00	8 333,00
Solidarity Off-budget solidarity contribution		
Solidarity sub-total	314 745,37	323 915,95
TOTAL OPERATING INCOME	630 198,63	677 073,49
OPERATING EXPENSES		
Purchases and external expenses	97 595,84	138 874,07
Taxes	2 577,12	7 697,42
Salaries and wages	142 375,04	122 389,37
Social security contributions	67 535,46	57 320,28
Depreciation provision	4 660,52	5 601,49
Circulating assets provisions		
Provisions for contingencies and expenses	0,00	20 000,00
Other expenses	0,00	646,05
Other solidarity expenses	314 805,58	323 915,92
TOTAL OPERATING EXPENSES	629 549,56	676 444,60
OPERATING PROFIT / LOSS	649,07	628,89
INTEREST RECEIVED	907,25	1 344,13
FINANCIAL EXPENSES	5,86	375,40
FINANCIAL PROFIT / LOSS	901,39	968,73
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	1 550,46	1 597,62

EXTRAORDINARY INCOME		
On management operations		
EXTRAORDINARY EXPENSES		
On management operations		
On capital operations		
EXTRAORDINARY PROFIT / LOSS	0,00	0,00
Corporation income tax	26,00	32,00
NET RESULT	1 524,46	1 565,62

ACCOUNTING PRINCIPLES, RULES AND METHODS

1. INFORMATION ABOUT THE ASSOCIATION'S AIMS AND ITS FUNDING

The aims of the association have been carried out in accordance with the provisions of the statutes and the decisions taken by the Emmaus Europe Regional Council and the Emmaus Europe Regional Assembly.

The Association's income is made up of:

- Membership fees and contributions paid by members
- Funds received from members for solidarity initiatives and emergency relief work
- Other donations made by third parties.

2. IMPORTANT EVENTS DURING THE FINANCIAL YEAR

The important events are mentioned in the report of the treasurer.

3. ACCOUNTING PRINCIPLES, RULES AND METHODS. CHANGE IN METHODS

The annual accounts of the 2014 financial year have been drawn up and presented in accordance with the provisions of CRC rule 99-01 relative to the terms for the drawing up of the annual accounts of associations:

Assets were evaluated using the chronological costs method.

Funds received from the groups within the framework of the solidarity plan approved by the Emmaus Europe Regional Council or donated to a specific project are managed in dedicated funds. The as yet unused balance of these funds has been entered as a liability in the dedicated funds entry.

The presentation of the solidarity accounts in terms of profit / loss covers:

- Initiatives included in the annual solidarity programme approved by the Emmaus Europe Regional Council and supported by funding provided by the groups
- Initiatives off-annual solidarity programme punctually supported by the groups on their initiative
- Contributions of groups explicitly allocated to solidarity but not allocated to a precise initiative

The combined sum of these three items along with the profit / loss statement of the operating account constitutes the overall profit / loss statement.

4. NOTES ON THE BALANCE SHEET

A. PERMANENT ASSETS

On 24th September 2007 Emmaus Europe bought fifty shares in Banca Etica for a total value of €2,625, with this providing a basis for ethical loans in conjunction with Emmaus International.

In 2011, Emmaus Europe made a two-year fixed term deposit of €150,000 in the Emmaus Ethical Fund. The sum is guaranteed by Emmaus International.

The Regional Executive decided to renew the solidarity investment of €150,000 held by Emmaus International for a further two years starting from 1 January 2014.

Following a decision made by the RCEE held in 2014, €100,000 was loaned out interest-free in 2014 for five years to three groups.

B. CIRCULATING ASSETS

Debts are valued at their face value. A provision for depreciation is applied when the balance sheet value is inferior to the book value.

Accounts receivable mainly comprise sums to be received from groups:

- 19 100 euros for operations
- 7 058 euros for solidarity

C. CASH FLOW

	2014	2013
Banca Etica	71 044	37 276
Crédit Coopératif	99 140	190 955
Livret A - Savings account	80 081	79 174
Cash	475	699
TOTAL	250 740	308 104

D. FUNDS

The funds are made up of reserves from previous financial years of € 251 995 and 2014 surplus, € 1 524.

E. PROVISION FOR EXPENDITURE

€24 000 has been set aside for expenditure:

- €10,000 to cover the projected cost of the 2015 Regional Assembly in England.
- €14,000 to cover the projected increase of operating costs which will not be covered by membership dues following the 2011 Regional Assembly's decision to freeze dues for four years.

F. DEDICATED FUNDS

Following tables show funds received and utilized for solidarity work:

a. Within the Annual solidarity programme

Item	Budget	Before 2014		Receivable income	Available balance	2014		Available balance	Receivable income	Funds to be engaged
	Total amount as of 31/12/14	Funds received	Expenditures	As of 31/12/13	As of 31/12/14	Funds received	Expenditures	As of 31/12/14	As of 31/12/14	Dedicated funds as of 31/12/14
2013/ Emmaus Brat Albert, Kraków Achieving housing standard in community house (finishing works)	39 500	23 000	10 000	0	13 000	16 500	29 500	0	0	0
2014/ Emmaus Rzeszow Equipment and commissioning of a kitchen with dining hall in the Emmaus Rzeszow Community's Home in Przedmiescie Czudeckie	20 000	0	0	0	0	8 000	2 000	6 000	5 000	11 000
2014/ Emmaus Brat Albert, Kraków Summer Camp for Companions and Volunteers of Emmaus	7 000	0	0	0	0	7 000	7 000	0	0	0
Sub-total Poland	66 500	23 000	10 000	0	13 000	31 500	38 500	6 000	5 000	11 000
2014/ Un Coup de Main IASI Increase the community's residential capacity by creating single rooms - Horia House	30 000	0	0	0	0	28 250	0	28 250	0	28 250
2014/ Emmaus Forbach on behalf of Amicii d'Emmaus Targu Jiu Summer volunteering in Romania including a trip to Bosnia-Herzegovina	20 000	0	0	0	0	20 000	20 000	0	0	0
2014/ Asociatia Frères Europa, Satu Mare Casa Noua- relocation and reorganization of the living space of the Emmaus community in Satu Mare	20 000	0	0	0	0	16 900	15 000	1 900	0	1 900
2014/ Asociatia Frères Europa, Satu Mare Renovation project for the shelter for young people from the streets of Timisoara	8 000	0	0	0	0	11 494	8 000	3 494	0	3 494
Sub-total Romania	78 000	0	0	0	0	76 644	43 000	33 644	0	33 644

Item	Budget	Before 2014		Receivable income	Available balance	2014		Available balance	Receivable income	Funds to be engaged
	Total amount as of 31/12/14	Funds received	Expenditures	As of 31/12/13	As of 31/12/14	Funds received	Expenditures	As of 31/12/14	As of 31/12/14	Dedicated funds as of 31/12/14
2014/ Advance on action - Missing Persons' Families Support Centre	2 000	2 000	0	0	2 000	0	0	2 000	0	2 000
2014/ Missing Persons' Families Support Centre Girls and Boys power in Lithuania	10 000	14 530	16 530	0	0	9 000	3 000	6 000	0	6 000
2014/ Missing Persons' Families Support Centre Dealing with It Together. Renovation of the building's roof.	18 000	30 000	16 470	0	13 530	18 000	31 530	0	0	0
Sub-total Lithuania	30 000	46 530	33 000	0	15 530	27 000	34 530	8 000	0	8 000
2013/ Emmaus Arezzo Support the Emmaus community of Arezzo, which is threatened with closure due to financial problems	60 000	2 000	2 000	0	0	50 000	50 000	0	0	0
Sub-total Italy	60 000	2 000	2 000	0	0	50 000	50 000	0	0	0
2014/ Nova Generacija, Banja Luka Development of a community activity	10 000	0	0	0	0	10 900	1 648	9 252	0	9 252
Sub-total Bosnia	10 000	0	0	0	0	10 900	1 648	9 252	0	9 252
2013/ Oselya – Lviv not allocated	7 450	0	0	4 000	11 450	4 000	4 000	11 450	0	11 450
2014/ Oselya - Lviv Supporting the activity of the Community.	18 000	18 326	18 001		325	24 300	18 000	6 625	0	6 625
Sub-total Ukraine	25 450	18 326	18 001	4 000	11 775	28 300	22 000	18 075	0	18 075
Total a	269 950	89 856	63 001	4 000	40 305	224 344	189 678	74 971	5 000	79 971

b. Out of programme solidarity annual

Item	Budget	Before 2014		Receivable income	Available balance	2014		Available balance	Receivable income	Funds to be engaged
	Total amount as of 31/12/14	Funds received	Expenditures	As of 31/12/13	As of 31/12/14	Funds received	Expenditures	As of 31/12/14	As of 31/12/14	Dedicated funds as of 31/12/14
2014/ Solidarity not allocated	0	0	0	0	86 406	50 982	36 214	101 174	58	101 232
2014/ Solidarity Nasha Khata	0	0	0	0	0	6 250	4 000	2 250	0	2 250
2014/ Solidarity out of programme Ukraine	0	1 300	0	0	1 300	0	0	1 300	0	1 300
2014/ Solidarity out of programme International Forum of Solidarity "Inondations Bosnia"	0	0	0	0	0	8 300	4 000	4 300	2 000	6 300
2014/Ukraine Oselya Cold winter 2014-2015	0	0	0	0	0	1 500	1 500	0	0	0
2014/ Poland Cold winter 2014-2015	0	0	0	0	3 000	1 500	3 000	1 500	0	1 500
2014/ Regional transport	0	0	0	0	1 000	2 000	0	3 000	0	3 000
Total b	0	1 300	0	0	91 706	70 532	48 714	113 524	2 058	115 582
OVERALL TOTAL a+b	269 950	91 156	63 001	4 000	132 011	294 876	238 392	188 495	7 058	195 553

G. DEBTS

The debts are mainly made up of:

- wages and social security contributions due on 31st December 2013 (€ 54 131)
- provisions for professional fees (€ 6 000)
- diverse suppliers (€ 1 400)

All accounts receivable and debt due dates are less than a year.

5. NOTES ON THE PROFIT / LOSS STATEMENT

The general profit/loss statement should be analyzed in two parts: the operating profit/loss and the solidarity projects profit/loss. It should be specified that no management fees were charged to the operating profits

OPERATING RESULT AS OF 31/12/2014

INCOME	Balance on 31/12/2014	Balance on 31/12/2013
<i>Annual membership fees</i>	288 329	259 519
<i>Groups' contributions to operations</i>		39 500
<i>Emmaus International operations contribution</i>	3 684	6 139
<i>External contributions</i>		
<i>Regional Assembly contributions</i>		
<i>Other income</i>	2 347	1 344
<i>Reversal of provisions for contingencies and charges</i>	22 000	48 000
TOTAL INCOME	316 361	354 502
EXPENDITURE		
<i>Secretariat operating costs: staff costs</i>	212 488	187 407
<i>General expenses</i>	39 665	36 384
<i>Communication</i>		
<i>Coordination and missions</i>	13 504	8 337
<i>Specifics missions</i>	0	3 674
<i>Accommodation and meetings: Regional Assembly</i>	1 380	
<i>European meeting</i>		60 472
<i>Regional Council</i>	35 053	27 539
<i>Regional Executive</i>	4 734	3 089
<i>Collectives</i>		
<i>Training</i>	3 352	433
<i>Depreciations and provisions</i>	4 661	25 601
<i>Solidarity transfer</i>		
TOTAL EXPENDITURE	314 836	352 936
Operating Result as of 31/12/2014	1 524	1 566

SOLIDARITY RESULT AS OF 31/12/2014		
INCOMES	2014	2013
Regional Solidarity Fund from Emmaus International	5 000	8 333
N-1 unused dedicated funds carried over	31 720	21 610
Solidarity collection for dedicated funds	207 493	279 917
Off-budget solidarity initiatives	70 532	14 056
TOTAL INCOMES	314 745	323 916
EXPENDITURE		
Dedicated funds initiatives	206 984	231 445
Dedicated funds outstanding balance to be carried over	95 262	82 715
Solidarity out of programme	12 500	9 756
TOTAL EXPENDITURE	314 745	323 916
Solidarity result as of 31/12/2014	-	0

In our capacity as your association's auditor, we are submitting to you our report on regulated agreements.

It is our duty to inform you, based on the information given to us, about the characteristics and key conditions of the agreements about which we have been notified or that we may have discovered when carrying out the audit, without having to rule on their validity and merits or to seek out other agreements. It is your duty, in accordance with the terms of article R. 612-6 of the Code of Commerce, to assess the benefits of concluding these agreements with a view to their approval.

We have carried out the checks that we deemed necessary based on the professional policy of the *Compagnie nationale des commissaires aux comptes* (French body of statutory auditors) with regard to this assignment.

AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE DECISION-MAKING BODY

We inform you that we were not informed of any agreements reached during the past financial year to be submitted for the approval of the decision-making body in application of the provisions of article L. 612-5 of the Code of Commerce.

Saint-Germain-en-Laye
3rd February 2015
Auditor,
SEGESTE

Sylvie Thizon