

Charity registration number 1067483

Company registration number 03489376 (England and Wales)

EMMAUS GLOUCESTERSHIRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

EMMAUS GLOUCESTERSHIRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr N. Mantle	
	Mr C. Thomas	
	Mrs M. Cheeseman	
	Mrs A. Halliday	(Appointed 1 February 2024)
	Mr M. Watson	(Appointed 1 March 2024)
Secretary	Ms L. Watson	
Charity number	1067483	
Company number	03489376	
Principal address	Chequers Road Gloucester GL4 6PN	
Auditor	Pitt Godden & Taylor LLP Unit 3 Ambrose House Meteor Court Barnett Way Barnwood Gloucester GL4 3GG	
Bankers	Lloyds TSB Bank plc High Street Cheltenham GL50 1EW	
	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	

EMMAUS GLOUCESTERSHIRE

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EMMAUS GLOUCESTERSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

The trustees present their annual report and financial statements for the year ended 30 June 2023.

The Trustees confirm the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document, the Companies Act 2006 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 (FRS102) (effective 1 January 2019).

Our Vision and Mission

Our Vision is a world in which everyone has a home and a sense of belonging.

Our Mission is to work together to overcome homelessness and social exclusion while using our voice to achieve social change.

Objectives and activities

In setting objectives and planning for activities, the Trustees have given due consideration to guidance published by the Charity Commission relating to public benefit, and in particular to its supplementary public benefit guidance.

The objects of the charity are the alleviation of homelessness and relief of poverty, hardship and the distress they cause to those in need. The objects are specifically restricted to the alleviation and relief of poverty, hardship and distress arising therefrom, in conformance with the principles of the Emmaus Movement as published from time to time by Emmaus UK, to those in need without distinction by:

- The provision of accommodation, or assistance in such provision, for homeless people in the Gloucestershire area and such other places as may seem appropriate from time to time (the beneficiaries).
- The rehabilitation of the beneficiaries as appropriate and the provision of education, training (including, without limitation, employment training) and work opportunities and satisfaction for the beneficiaries with the purpose of developing their skills to enable them to gain employment in the future and thereby develop a sense of self-worth and dignity through having a self-supporting life.
- The support of the work of other Emmaus Communities and Emmaus Groups or other agencies in the relief of poverty and homelessness whether in the United Kingdom or elsewhere in the world and in particular (without limitation) by the exchange of resources, information and expertise with other Emmaus Movement projects worldwide.
- The fulfilling of such other purposes as may from time to time be recognised by English Law as being charitable and which the Charity shall from time to time determine.

Approach to achieving Charitable objects

Emmaus Gloucestershire provides a home, 40 hours of meaningful activity in our social enterprise each week, training and support for previously homeless or socially excluded individuals, known as 'Emmaus companions'. An unemployed, homeless or vulnerably housed person becomes a companion upon joining Emmaus Gloucestershire as a resident. Companions work together with volunteers and employees collecting, upcycling and selling donated goods in our five retail outlets. All companions have the opportunity to gain new skills and experiences in a working enterprise and, most importantly, regain self-respect, esteem and purpose whilst working to support others in greater need than themselves.

Emmaus Gloucestershire currently offers 26 bed spaces for companions. Companions sign off primary benefits and receive accommodation, food, clothing, a weekly allowance, resettlement support and access to structured support and personal development.

Opportunities are provided to gain new skills, undergo training and work as part of a team to achieve personal goals, contribute to the success of the business activities and provide assistance to others who are in need.

EMMAUS GLOUCESTERSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Achievements and performance

The 2022-2023 financial year saw a significant upturn in sales from the previous years. Charity shops enjoyed the combination of good levels of items being donated and healthy demand and sales.

Our strategic aim is to diversify our income streams over time and increase the range of skills and activities to companions.

The external independent review of the employee roles and salaries was completed and implemented ensuring our pay is in line with comparable market roles.

Operational Performance

Emmaus Gloucestershire generated 81% of its income through its social enterprise business in 2022-2023. The remainder 12% came from Housing benefit and 7% from general donations, grants and legacies.

During the year 9,469 daily bed spaces were provided 1,460 daily bed spaces were set aside on a solidarity basis (for which no housing benefit was granted).

Solidarity

The Emmaus Movement established by Abbe Pierre was founded on the concept of 'Solidarity' this means helping and working for others who are less fortunate than ourselves. Solidarity works at three levels: local, national, and international. Emmaus Gloucestershire contributes at each of these levels with companions, volunteers, staff and trustees all being involved. These contributions are not only financial but also include sharing, expertise, experience, moral support and encouragement.

Financial review

The total income for the year ending 30 June 2023 was £913,354 which was £176,297 more than the income for the previous year.

The total expenditure for the year ending 30 June 2023 was £760,503 which was £14,218 more than the expenditure for the previous year.

The net surplus for the year to 30 June 2023 was £152,851 which was £163,011 more than previous years small deficit. This surplus represents 16.7% of total income.

Reserves

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a minimum of three months expenditure (at current expenditure levels this equates to £190,125).

At the renewal of our business continuity insurance (which included pandemic insurance up to £250,000) we were advised this was withdrawn. Trustees took a decision to self-insure and set aside £250,000 designated for this purpose.

While the level of reserves held currently exceeds this level the purchase of new retail premises at Cheltenham and ongoing maintenance on one property will significantly reduce this amount over the next financial year.

Risk management

Trustees have in place risk management procedures, policies and a risk register which aims to manage and mitigate foreseeable risks that the charity might face.

The risk register is used as a dynamic tool by the management team. It is reviewed regularly by all Committees and the Board of Trustees. The chief executive has overall responsibility for monitoring the risks and ensuring appropriate and timely mitigations are put in place.

Good risk management is not about paperwork and expansive risk registers it is about a contemporary thorough knowledge of the business and wider environment it operates in. Early identification of the threats and timely responses are crucial to mitigating or avoiding threats.

EMMAUS GLOUCESTERSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Emmaus Gloucestershire's ten-year strategy is to diversify sources of income and improve the accommodation offered to companions.

The board has had an offer accepted for the purchase of a freehold retail premises in Bath Road Cheltenham.

Following completion, of the sale the property will be upgraded and adapted to provide a new charity shop in an excellent location in Cheltenham and in the future, office accommodation above.

Structure, governance and management

The Board is responsible for the strategic direction and policy of the charity. The board meets at least quarterly and is underpinned by a committee structure. The Business and Finance Committee, HR Committee, Policy and Practice Committee and External Affairs Committee met at least quarterly to review performance and to agree priorities for the quarter ahead.

The Board of Trustees has adopted the NCVO Code of Good Governance, and reviews the structures and workings accordingly.

The HR Committee meets annually to agree the remuneration of the Chief Executive and all employees, so as to reward and motivate employees to an affordable extent.

A delegation framework is in place, with the day to day responsibility for the operations of the charity resting with the Chief Executive. The Chief Executive is responsible for ensuring that the charity delivers the activities specified in an annual operational plan and that key performance indicators are met.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M. Heap	(Resigned 1 August 2023)
Mr M. Hudson	(Resigned 7 March 2024)
Ms A. Beddoes	(Resigned 1 August 2023)
Mr N. Mantle	
Mr C. Thomas	
Mrs M. Cheeseman	
Mrs A. Halliday	(Appointed 1 February 2024)
Mr M. Watson	(Appointed 1 March 2024)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

An annual skills audit of the Board of Trustees identifies gaps, and an open recruitment process for new Trustees takes place. This involves advertisement on Emmaus websites, and through specialist volunteering websites such as Volunteering Glos, Trustees Unlimited and REACH. An application and interview process takes place. Proposed appointments of new trustees must be approved by the Board of Trustees; following a successful application references and a DBS check are taken up.

The trustees' report was approved by the Board of Trustees and signed on their behalf by:

Mr C. Thomas

Trustee

Dated: 25 March 2024

EMMAUS GLOUCESTERSHIRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2023

The trustees, who are also the directors of Emmaus Gloucestershire for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EMMAUS GLOUCESTERSHIRE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF EMMAUS GLOUCESTERSHIRE

Opinion

We have audited the financial statements of Emmaus Gloucestershire (the 'charity') for the year ended 30 June 2023 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 30 June 2023 and of its incoming resources and application of resources, 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.

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 charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

EMMAUS GLOUCESTERSHIRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EMMAUS GLOUCESTERSHIRE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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. 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations was as follows:

- The engagement partner ensured that the engagement team collectively has the appropriate competence, skills and ability to identify any non-compliance with laws and regulations.
- We identified the laws and regulations applicable to the academy via discussions with the management and from our own knowledge of the sector in which the client operates. We focused on the laws which we considered were of particular significance to the charity operations, which included the Companies Act 2006, the Charities Act 2011, health & safety regulations, safeguarding, employment law and data protection.
- We assessed the extent of the compliance with the laws and regulations identified through enquiries with management and also detailed testing of the systems and controls.

We assess the susceptibility of the charity financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud and whether they have any knowledge of any actual, suspected or alleged fraud; and
- we documented, assessed and tested the internal controls in place to reduce the likelihood of any incidences of fraud or non-compliance.

To assess the risk of fraud through management bias and override of controls, we:

- performed analytical review procedures;
- reviewed and sample tested journal entries to confirm that they were genuine transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- reviewed a sample of expenditure transactions from the charity records for appropriate authorisation.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing the disclosures in the financial statements to underlying documentation;
- reviewing the minutes of those charged with governance;
- enquiring of management as to actual potential claims and liabilities; and
- reviewing legal and professional costs incurred in the period.

EMMAUS GLOUCESTERSHIRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EMMAUS GLOUCESTERSHIRE

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of any relevant regulatory correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144* of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Pitt Godden & Taylor LLP

25 March 2024

**Chartered Accountants
Statutory Auditor**

Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG

Pitt Godden & Taylor LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

EMMAUS GLOUCESTERSHIRE

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2023

Current financial year		Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Total 2022 £
	Notes					
Income and endowments from:						
Donations and legacies	3	61,324	-	-	61,324	252,698
Charitable activities	4	106,126	-	-	106,126	90,216
Other trading activities	5	731,329	-	-	731,329	585,979
Investments	6	14,575	-	-	14,575	9,693
Other income	7	-	-	-	-	971
Total income and endowments		913,354	-	-	913,354	939,557
Charitable activities	8	760,503	-	-	760,503	747,217
Net gains on investments	11	-	-	-	-	137,000
Net income and movement in funds		152,851	-	-	152,851	329,340
Reconciliation of funds:						
Fund balances at 1 July 2022		2,269,562	40,700	202,500	2,512,762	2,183,422
Fund balances at 30 June 2023		2,422,413	40,700	202,500	2,665,613	2,512,762

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

EMMAUS GLOUCESTERSHIRE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Prior financial year		Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
	Notes				
Income and endowments from:					
Donations and legacies	3	50,198	-	202,500	252,698
Charitable activities	4	90,216	-	-	90,216
Other trading activities	5	585,979	-	-	585,979
Investments	6	9,693	-	-	9,693
Other income	7	971	-	-	971
Total income and endowments		737,057	-	202,500	939,557
Charitable activities	8	747,217	-	-	747,217
Net gains on investments	11	137,000	-	-	137,000
Net income and movement in funds		126,840	-	202,500	329,340
Reconciliation of funds:					
Fund balances at 1 July 2021		2,142,722	40,700	-	2,183,422
Fund balances at 30 June 2022		2,269,562	40,700	202,500	2,512,762

EMMAUS GLOUCESTERSHIRE

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2023

	All income funds	
	2023	2022
	£	£
Gross income	913,354	737,057
(Losses)/gains on investments	-	137,000
	<hr/>	<hr/>
Total income in the reporting period	913,354	874,057
	<hr/>	<hr/>
Total expenditure from income funds	760,503	747,217
	<hr/>	<hr/>
Net income for the year	152,851	126,840
	<hr/> <hr/>	<hr/> <hr/>

EMMAUS GLOUCESTERSHIRE

BALANCE SHEET

AS AT 30 JUNE 2023

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	13	1,246,079	1,237,534
Investment property	14	280,000	280,000
		<u>1,526,079</u>	<u>1,517,534</u>
Current assets			
Debtors	16	67,438	64,187
Cash at bank and in hand		1,116,933	963,300
		<u>1,184,371</u>	<u>1,027,487</u>
Creditors: amounts falling due within one year	17	44,837	32,259
		<u></u>	<u></u>
Net current assets		1,139,534	995,228
Total assets less current liabilities		<u>2,665,613</u>	<u>2,512,762</u>
The funds of the charity			
Endowment funds	18	202,500	202,500
Restricted income funds	19	40,700	40,700
Unrestricted funds		2,422,413	2,269,562
		<u>2,665,613</u>	<u>2,512,762</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees on 25 March 2024

Mr C. Thomas
Trustee

Company registration number 03489376 (England and Wales)

EMMAUS GLOUCESTERSHIRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	23		170,496		187,206
Investing activities					
Purchase of tangible fixed assets		(31,438)		(224,104)	
Proceeds on disposal of tangible fixed assets		-		4,290	
Interest received		14,575		9,693	
Net cash used in investing activities			(16,863)		(210,121)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			153,633		(22,915)
Cash and cash equivalents at beginning of year			963,300		986,215
Cash and cash equivalents at end of year			1,116,933		963,300

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Charity information

Emmaus Gloucestershire is a private company limited by guarantee incorporated in England and Wales. The registered office is Chequers Warehouse, Chequers Road, Gloucester, GL4 6PN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Resources expended are accounted for on an accruals basis.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. Items costing less than £1,000 are written off as an expense as acquired.

Tangible fixed assets are included in the Balance Sheet at cost less accumulated depreciation, or at estimated value at the date of donation less the associated accumulated depreciation.

Depreciation is calculated to write off the cost or valuation of fixed assets, less their estimated residual values, over their estimated useful economic lives, at the following rates :-

Land and buildings	Freehold is depreciated by nil. Leasehold is depreciated over the term of the lease.
Plant and machinery	25% straight line
Fixtures, fittings & equipment	10/20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Shop stock comprises of donated items, some of which have been refurbished for sale by companions. As these items are donated, they are not held at any value on the financial statements.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations

	Unrestricted funds	Endowment funds general	Total 2023	Total 2022
	£	£	£	£
Donations and gifts	61,324	-	61,324	252,698
	<u>61,324</u>	<u>-</u>	<u>61,324</u>	<u>252,698</u>
For the year ended 30 June 2022	50,198	202,500		252,698
	<u>50,198</u>	<u>202,500</u>		<u>252,698</u>
Donations and gifts				
Other	61,324	-	61,324	252,698
	<u>61,324</u>	<u>-</u>	<u>61,324</u>	<u>252,698</u>
	<u>61,324</u>	<u>-</u>	<u>61,324</u>	<u>252,698</u>
Grants receivable for core activities				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

4 Income from charitable activities

	Unrestricted funds 2023	Unrestricted funds 2022
	£	£
Heading #ac989		
Housing benefit	106,126	90,216
	<u>106,126</u>	<u>90,216</u>

5 Other trading activities

	2023	2022
	£	£
Shop income	731,329	585,979
	<u>731,329</u>	<u>585,979</u>

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

6 Investment income

	2023 £	2022 £
Rental income	9,525	9,300
Interest receivable	5,050	393
	<u>14,575</u>	<u>9,693</u>

7 Other income

	2023 £	2022 £
Other income	-	316
Insurance received	-	46,992
	<u>-</u>	<u>971</u>

8 Charitable activities

	2023 £	2022 £
Staff costs	364,449	349,930
Depreciation and impairment	22,893	21,513
Other costs	366,862	369,441
Audit and bookkeeping fees	6,299	6,333
	<u>760,503</u>	<u>747,217</u>

Included in audit and bookkeeping fees is auditors remuneration of £4,000 (2022: £4,000)

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Trustees indemnity insurance was purchased during the year at a cost of £nil (2022- £434).

Trustees travel expenses of £66 (2022- £54) have been met by the charity.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Shop/warehouse	6	6
Office/admin	5	5
Companion support	2	2
	<u>13</u>	<u>13</u>

Employment costs

	2023 £	2022 £
Wages and salaries	<u>364,449</u>	<u>349,930</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investment properties	<u>-</u>	<u>137,000</u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

13 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2022	1,210,563	7,081	86,422	99,317	1,403,383
Additions	31,065	-	373	-	31,438
Disposals	-	-	-	(5,950)	(5,950)
At 30 June 2023	1,241,628	7,081	86,795	93,367	1,428,871
Depreciation and impairment					
At 1 July 2022	27,689	7,081	46,836	84,243	165,849
Depreciation charged in the year	1,804	-	12,754	8,335	22,893
Eliminated in respect of disposals	-	-	-	(5,950)	(5,950)
At 30 June 2023	29,493	7,081	59,590	86,628	182,792
Carrying amount					
At 30 June 2023	1,212,135	-	27,205	6,739	1,246,079
At 30 June 2022	1,182,874	-	39,586	15,074	1,237,534

The Nailsworth leasehold included in land and buildings is depreciated over its lease term which expires in 2115.

14 Investment property

	2023 £
Fair value	
At 1 July 2022 and 30 June 2023	280,000

The fair value of the investment property has been arrived at on the basis of a valuation carried out in March 2021 by B. Sawers of Farr and Farr, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

	2023 £	2022 £
Freehold	280,000	280,000

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

15 Financial instruments	2023	2022
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	27,667	5,484
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	37,870	24,910
	<u> </u>	<u> </u>
16 Debtors	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	27,342	6,270
Other debtors	9,849	8,535
Prepayments and accrued income	30,247	49,382
	<u> </u>	<u> </u>
	67,438	64,187
	<u> </u>	<u> </u>
17 Creditors: amounts falling due within one year	2023	2022
	£	£
Other taxation and social security	6,967	7,349
Trade creditors	18,007	11,515
Other creditors	-	2,834
Accruals and deferred income	19,863	10,561
	<u> </u>	<u> </u>
	44,837	32,259
	<u> </u>	<u> </u>

18 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 July 2022	Incoming resources	At 30 June 2023
	£	£	£
Permanent endowments			
48 Lower Street, Stroud	202,500	-	202,500
	<u> </u>	<u> </u>	<u> </u>

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

18 Endowment funds (Continued)

Previous year:	At 1 July 2021	Incoming resources	At 30 June 2022
	£	£	£
Permanent endowments			
48 Lower Street, Stroud	-	202,500	202,500

19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 July 2022	Movement in funds		Balance at 30 June 2023
	£	Incoming resources	Resources expended	£
		£	£	
The Peoples Shed	40,700	-	-	40,700
	40,700	-	-	40,700

20 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	2023	2023	2023	2023
	£	£	£	£
Fund balances at 30 June 2023 are represented by:				
Tangible assets	1,002,879	40,700	202,500	1,246,079
Investment properties	280,000	-	-	280,000
Current assets/(liabilities)	1,139,534	-	-	1,139,534
	2,422,413	40,700	202,500	2,665,613

	Unrestricted funds	Restricted funds	Endowment funds	Total
	2022	2022	2022	2022
	£	£	£	£
Fund balances at 30 June 2022 are represented by:				
Tangible assets	994,334	40,700	202,500	1,237,534
Investment properties	280,000	-	-	280,000
Current assets/(liabilities)	995,228	-	-	995,228
	2,269,562	40,700	202,500	2,512,762

EMMAUS GLOUCESTERSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

21 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Movement in funds			
	Balance at 1 July 2021	Incoming resources	Balance at 1 July 2022	Transfers
	£	£	£	£
Continuity Fund	250,000	-	250,000	-
Hucclecote Renovation Fund	-	-	-	120
	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>120</u>
	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>120</u>

During the previous year the board decided the the Property and Development Fund was no longer required. Instead, in light of the pandemic, a Continuity Fund was been deemed more appropriate.

22 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

23 Cash generated from operations

	2023 £	2022 £
Surplus for the year	152,851	329,340
Adjustments for:		
Investment income recognised in statement of financial activities	(14,575)	(9,693)
Fair value gains and losses on investment properties	-	(137,000)
Depreciation and impairment of tangible fixed assets	22,893	21,513
Movements in working capital:		
(Increase) in debtors	(3,251)	(4,575)
Increase/(decrease) in creditors	12,578	(12,379)
Cash generated from operations	<u>170,496</u>	<u>187,206</u>