EMMAUS LEEDS

England & Wales · Charity number 1077790

Details

Status	Registered
Legal form	Charitable company
Company number	03785564
Registered	1999-10-14
Register	View on the Charity Commission register

Contact

Address	Emmaus Leeds St. Marys Street Leeds LS9 7DP
Phone	01132092625
Email	info@emmausleeds.co.uk
Website	www.emmaus.org.uk/leeds

Activities

Objects: THE ALLEVIATION AND RELIEF OF POVERTY, HARDSHIP AND DISTRESS ARISING THEREFROM TO THOSE IN NEED WITHOUT DISTINCTION BY:THE PROVISION OF ACCOMMODATION, OR ASSISTANCE IN SUCH PROVISION, FOR THE POOR AND HOMELESS IN THE LEEDS AREA AND SUCH OTHER PLACES AS MAY SEEM APPROPRIATE FROM TIME TO TIME.THE PROVISION OF EDUCATION, TRAINING AND EMPLOYMENT TRAINING FOR SUCH PERSONS WITH THE PURPOSE OF DEVELOPING SKILLS TO ENABLE THEM TO GAIN EMPLOYMENT.THE SUPPORT OF THE WORK OF OTHER EMMAUS COMMUNITIES 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 COMMUNITIES WORLD-WIDE

Activities: Offers homeless people a home, work and the chance to rebuild their lives in a supportive environment.

Downloaded from opencharities.uk/ew/1077790

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Other Defined Groups

Geography

- Leeds City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£848,805	£818,506	£1,565,584	10
2024-06-30	£768,763	£798,828	£1,535,285	11
2023-06-30	£875,982	£776,049	£1,562,158	14
2022-06-30	£703,438	£717,920	£1,462,047	13
2021-06-30	£681,229	£670,706	£1,476,529	13

Trustees

Name	Role	Appointed
John Mark Lister	Chair	2018-12-12
Andrew Guy Smith		2018-12-12
Anne Chambers		2021-03-03
Brian Morris		2025-12-10
John Michael Doran		2021-06-23
Mary Ojoagefu OJIDU		2020-12-02
Nicholas Robert Earl		2020-03-04
Peter Hurley		2024-12-04
SIMON JOHN CROFT		
Tracey Jukes		2023-03-08

Downloaded from opencharities.uk/ew/1077790

EMMAUS LEEDS

England & Wales - Charity number 1077790

Accounts

Charity Registration No. 1077790

Company Registration No. 03785564 (England and Wales)

Emmaus Leeds

(A Company Limited By Guarantee)

Trustees' Annual Report and Financial Statements

For The Year Ended 30 June 2025

Brown Butler
Chartered Accountants
Leeds

Emmaus Leeds
(A Company Limited By Guarantee)

Legal and Administrative Information

Trustees	Mark Lister (Chair & Treasurer) Simon Croft Andrew Smith Dr Nicholas Earl Anne Chambers Mary Ojidu John Doran Amanda Beresford Tracey Jukes Peter Hunt (Appointed 4 December 2024) Katie Bell (Appointed on 6 December 2023) (Resigned 4 December 2024)
Senior Staff	Gina Morrison (Executive Lead)
Secretary	Amanda Beresford
Charity Number	1077790
Company Number	03785564
Registered Office	St Mary's Street Leeds LS9 7DP
Auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	HSBC Bank plc PO Box 105 33 Park Row Leeds LS1 1LD

Emmaus Leeds
(A Company Limited By Guarantee)

Contents

	Page
Trustees' report (including Directors' report)	1 – 5
Statement of Trustees' responsibilities	6
Independent auditor's report	7 – 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 – 23

Emmaus Leeds
(A Company Limited By Guarantee)

Trustees' Report (including Directors' Report)
For the year ended 30 June 2025

The Trustees, who are also Directors for the purposes of Company Law, are pleased to present their annual report together with the financial statements of the charity for the year ended 30 June 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102).

The legal and administrative information constitutes part of this report.

Objectives and Activities

Overall Purpose
The charity's overall purpose is to provide individuals, male and female, with a home, companionship and the opportunity to develop improved life and work skills within the security of a self-supporting community with the aim of moving on from homelessness. The Objects defined in our constitution are as follows : -

"The alleviation and relief of poverty, hardship and distress arising therefrom to those in need without distinction by:-

1. The provision of accommodation or assistance in such provision, for the poor and homeless in the Leeds area and such other places as may seem appropriate from time to time.

2. The provision of education, training and employment training for such persons with the purpose of developing skills to enable them to gain employment.

3. The support of the work of other Emmaus communities 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 communities worldwide.

4. 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."

When reviewing our aims and objectives and in planning our future activities, the Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. In particular, the Trustees consider how planned activities will contribute to the Aims and Objectives they have set.

The Trustees have paid due regard to guidance issued by the Charities Commission in deciding what activities and Charity should undertake.

Achievements and Performance
I am pleased to report Emmaus Leeds continues to be in good health both as a Community and an Enterprise. The year to 30 June 2025 has seen a number of positive developments both in the trading operations and the running of the Community.

Throughout the past year Emmaus Leeds has helped 58 previously homeless people by providing them with support, accommodation and a purpose by inviting them to become Companions of the Emmaus Leeds community. We have continued to see a relatively high turnover of companions which is a reflection of the greater challenges facing Companions referred to us. However, this has slowed after the year end resulting in more stability in the Community and we are also seeing more positive outcomes when Companions do leave the Community. Of the 12 individuals who moved on during the year, 7 moved on to other accommodation and 4 into full-time employment. There have been 5 different training courses offered to Companions and a total of 33 attended those courses. Throughout the year covered by these accounts, occupancy has averaged 65% of our available rooms. As of the time of writing that figure is 60%. The lower occupancy rates during the year are a key area of concern for the Trustees and additional sources of referrals are actively being explored as well as adaptations to our current offering which would make it more attractive to potential Companions.

The biggest developments during the year have been in the provision of move on properties and services with one property sold but replaced by a more suitable property and two apartments kindly donated. As a result we now have 5 external properties in addition to the main St Mary's property, all of which are currently occupied by Companions in various stages of the move-on process. This has been a key development of the strategy pursued by the Trustees in the last few years.

Last year saw a fall of approximately 8% in the trading revenue of the Community, largely due to a dip in trading in the middle of the year. This was offset, however, by a significant increase in donations due to the two property gifts which resulted in an overall surplus for the year of £33,669. Trading stabilised in the last quarter of the year and the social enterprise side of the operations continues to be in a strong position. The Trustees would like to thank both staff and companions for their efforts during the year.

Fundraising Activities
We strive to achieve the highest fundraising standards and we value our supportive funders. We are staying up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) with the help of Emmaus UK to ensure we are legally compliant and adhering to all guidelines. No complaints have been received during the year in connection with fundraising.

Financial Review
The Statement of Financial Activities shows Total Income for the year of £848,805 (2024 £773,623) and a Surplus of £33,669 (2024 Deficit £26,873). The increase in Income was largely due to the donation of two properties, included at a combined value of £120,000 which offset a decline in trading income. Trading income decreased by 8% compared to the prior year. As with most businesses costs have been increasing, particularly with regards to Utilities and Food but these have been well controlled. Staff costs have increased due to annual increases and the filling of vacancies within the staff team. Although a reduction from the prior year the Trustees consider that the main store continues to perform strongly, bolstered by Internet sales and House Clearance income.

The Net Current Assets stood in total at £1,565,584 on 30 June 2025 (2024 £1,535,285). Emmaus Leeds is in a sound financial position and it owns its freehold property in St Mary's Street, as well as five additional leasehold properties, and it has no significant borrowings.

Principal Funding Sources
The total income for the year was £848,805. Enterprise income formed the majority of this at £458,360 (54%) while £235,162 (28%) was Housing Benefit. A further £151,845 (18%) came from Donations and Legacies, including £120,000 of property donations. At 30 June 2025 the Cash Balance stood at £303,462 (2024 £357,823).

Reserves Policy
Our reserves policy is reviewed each year. Our policy is to hold approximately £160,000 to cover business interruption or exceptional premises maintenance costs. This represents our best estimate of three months' current operating costs and likely maintenance expenditure. We feel it prudent to add £40,000 to that sum for exceptional winding-up costs, which is shown as a designated reserve. The cash reserves of the Charity at 30 June 2025 were well in excess of the reserves policy figures. The Trustees are currently reviewing this and possible investment including various capital projects and other items of revenue expenditure in line with the main objectives of the Charity.

Volunteers
I am pleased to report that our volunteer numbers have increased since the last report. We had a total of 12 individuals volunteer in the year to 30 June 2025. They gave a total of 3,680 hours of their time. The Trustees, as ever, are immensely grateful for their time, commitment and their overall contribution to the success of the Charity.

Risk management
The Trustees have carried out ongoing assessments of the Charity's activities, opportunities available to it and the risks to which it is exposed. These risks are identified in the risk register. The Trustees have considered their responsibilities under legislation including health and safety, employment law and safeguarding. Systems and procedures have been implemented to manage specific risks that have been identified, including training for all appropriate persons as necessary. The Trustees are specifically reviewing the likely impact of climate change on our future operations.

Plans for the future
The Trustees have an annual strategy day, alongside key employees. The topics of trading revenue and opportunities; Trustee, volunteer and staff welfare and recruitment and retention as appropriate; and local and central government policies are standing items. Trustees are also looking at property maintenance issues and the vehicle fleet we run as well as its environmental impact.

A key element of recent strategy has been the acquisition of individual residential properties to assist companions to successfully move on from the Community. With the two donated properties and a further acquisition the Charity now has five such properties.

The progress of the proposed Supported Housing (Regulatory Oversight) Act is still being closely monitored. The Act will apply to all forms of Supported Exempt Accommodation and will introduce National Supported Housing Standards and Principles and licensing arrangements, linked to Housing Benefit payments. Consequently it will undoubtedly have implications for Emmaus Leeds and the Trustees continue to closely monitor developments, with the assistance of Emmaus UK and in consultation with Leeds City Council. .

In the longer term the Trustees will continue to look to address its key aim of utilizing the Emmaus model in providing a route out of homelessness in Leeds, whilst ensuring the strong community already built up is not at risk. This will involve the application of any future surplus funds to projects meeting these aims.

Structure, Governance and Management

Governing Document
The Charity is a company limited by guarantee, incorporated on 9 June 1999 and registered as a charity. The Company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. The members of the company guarantee to contribute £1 each in the event of a winding up.

Constitution
Under the requirement of the Memorandum and Articles of Association the Trustees are elected to service for a period of three years after which they must be re-elected at the next Annual General Meeting.

The Board recruits new Trustees through a number of routes including personal relationship or recommendation, through the Government agency REACH and private agencies if required. All are required to be familiar with and committed to the work of Emmaus Leeds and receive an induction pack prepared and updated by Emmaus UK detailing both the global and local aspects of the Charity's work as well as clear guidance as to the responsibilities of a Trustee. This is largely based on the Charities Commission publication "The Essential Trustee". Thereafter, opportunities are offered for Trustees to engage in specific aspects of relevant training and visits to other communities to share experiences and ideas

Organisational Structure
The Board of Trustees meets quarterly to review activity and is responsible for determining required governance and the setting of strategy. The Trustees also hold annual strategy discussions to set the future programme for Emmaus Leeds. There are currently three sub-committees of the Board: Finance and Business; Human Resources; and Property.

The Executive Lead is charged with the implementation of policy as directed by the Board, through staff and volunteers. The Community Manager and support team are focused on Companion recruitment, wellbeing and onward progression. The Executive Lead is responsible for the building, the business and the staff, supported by a team of managers covering each of these areas.

Management Structure
Gina Morrison, the Executive Lead, has continued to lead the Charity supported by her management team. Whilst there have been some changes of personnel and some small changes to the structure the principle of a second tier of managers reporting to her remains and, in the view of the Trustees is the best way to serve the needs of the Community and the Social Enterprise. There are currently 11 members of staff in total, an increase from 10 in the previous year, as vacancies were filled. The Trustees would like to thank Gina Morrison and her staff for their efforts in ensuring these changes were processed efficiently.

The pay of the staff is reviewed annually and normally increased in line with inflation. Also it is reviewed with reference to management responsibilities. Remuneration is bench-marked with charities of similar size and activities, and the other Emmaus communities. This aims to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

External Relationships
Emmaus Leeds is one of 32 Emmaus Communities and Groups within the UK which form the UK Federation as part of the International Emmaus Movement. Emmaus UK provides valuable support in the form of national representation, it is a custodian of good practice, fundraising and guidance particularly for emerging groups. the Chair of Emmaus Leeds, is a member of the Board of Emmaus UK as a Trustee representing the interests of the Communities.

Locally Emmaus Leeds works with a range of referral agencies and charities which are also engaged in the provision of support for the homeless as well as the Furniture Reuse Group which works to enhance this aspect of environmental impact.

Statement of Trustees' Responsibilities
The Trustees, who are also directors of Emmaus Leeds for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

Auditor
In accordance with the company's articles, a resolution proposing Brown Butler be re-appointed as auditor of the company will be approved at the Annual General Meeting. Disclosure of information to the auditor The Board of Trustees who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out in the Charity Information section of this report in accordance with company law, as the Company's Directors, we certify that :-

- So far as we are aware, there is no relevant information of which the company's auditors are unaware
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Small Company Rules
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Trustees' Report was approved by the Board of Trustees.

Mr J M Lister
Chair of Trustees
Dated: 11 DECEMBER 2025

The Trustees, who are also the directors of Emmaus Leeds 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.

Independent Auditor's Report to the Members of Emmaus Leeds

We have audited the financial statements of Emmaus Leeds (the 'Charity') for the year ended 30 June 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2025 and of its income 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 charitable company 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.

Conclusion 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 charitable company'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 Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Continued on next page

Continued from previous page

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company 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
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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Continued on next page

Continued from previous page

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to deter material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included The Homelessness Reduction Act 2017, Companies Act 2006, the Charities Act 2011, pension and tax legislation together with the Charities SORP FRS102 (2024). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Using our general commercial and sector experience and through discussions with the trustees and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.

- We examined the charitable company's regulatory and legal correspondence and discussed with the trustees and other management any known or suspected instances of fraud or non-compliance with laws and regulations.

- We communicated identified laws and regulations and potential fraud risks of all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements. We also discussed related party relationships and transactions involving them.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Nicola Taylor FCA (Senior Statutory Auditor)
Brown Butler
Chartered Accountants
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT
..... 2025

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Financial Activities including Income and Expenditure Account
For the year ended 30 June 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Income from:					
Donations and legacies	2	151,845	-	151,845	22,496
Charitable activities:					
Grants, fees, contracts	3	235,162	-	235,162	250,440
Trading income	3	458,360	-	458,360	496,730
Investment income		3,438	-	3,438	3,433
Other income		-	-	-	164
Total income		848,805	-	848,805	773,263
Expenditure on:					
Charitable activities	4	(818,506)	-	(818,506)	(800,136)
Net income/(expenditure) before transfers		30,299	-	30,299	(26,873)
Gross transfers between funds		3,370	(3,370)	-	-
Net income/(expenditure) and net movement in funds		33,669	(3,370)	30,299	(26,873)
Fund balances at 1 July 2024		1,531,915	3,370	1,535,285	1,562,158
Fund balances at 30 June 2025		1,565,584	-	1,565,584	1,535,285

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 13 to 23 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)
Registered number 03785564
Balance Sheet
As at 30 June 2025

	Notes	2025 £		2024 £	
Fixed assets					
Tangible assets	8		1,258,368		1,203,876
Current assets					
Debtors	9	40,400		26,770	
Cash at bank and in hand		303,462		357,823	
		343,862		384,593	
Creditors: amounts falling due within one year	10	(36,646)		(53,184)	
Net current assets			307,216		331,409
Total assets less current liabilities			1,565,584		1,535,285
Funds:	11				
Unrestricted funds:					
General		512,404		559,358	
Designated		40,000		40,000	
Designated capital		1,013,180		932,557	
			1,565,584		1,531,915
Restricted funds			-		3,370
			1,565,584		1,535,285

The financial statements, which have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, were approved by the board of Trustees and authorised for issue on 10 DECEMBER 2025 and are signed on its behalf by:

.....
Mr JM Lister
Trustee

The notes on pages 13 to 23 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Cash Flows
For the year ended 30 June 2025

	2025 £		2024 £	
Cash generated from operations				
Surplus / (Deficit) for the year		30,299		(26,873)
Adjustments for:				
Investment income	(3,438)		(3,433)	
Depreciation	57,409		58,631	
Gifted properties	(120,000)		-	
(Profit) on disposal	(51,609)		-	
(Increase) in debtors	(13,630)		(1,353)	
(Decrease) / Increase in creditors	(16,538)		30,554	
		(147,806)		84,399
Cash flows from operating activities		(117,507)		57,526
Investing activities				
Purchase of tangible fixed assets	(83,292)		(83,030)	
Proceeds from sale of tangible fixed assets	143,000		-	
Interest received	3,438		3,433	
Net cash generated from/ (used in) investing activities		63,146		(79,597)
Net (decrease) in cash and cash equivalents		(54,361)		(22,071)
Cash and cash equivalents at beginning of year		357,823		379,894
Cash and cash equivalents at end of year		303,462		357,823

The Charity had no debt during this or the prior year.

The notes on pages 13 to 23 form part of these financial statements.

1 Accounting policies

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

Charity information
Emmaus Leeds is a private company limited by guarantee incorporated in England and Wales. The registered office is St Mary's Street, Leeds, LS9 7DP.

1.1 Accounting convention

The financial statements have been prepared in accordance with 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)" (as amended for accounting periods commencing from 1 January 2024).

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 £1.

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

1.2 Going concern

The Trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the charity to continue in operational existence for at least the next 12 months from the date of approval of the financial statements, and have adequate contingency plans in the event that income streams are reduced. Consequently, the financial statements have therefore been prepared on the basis that the charity is a going concern.

1.3 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.

The Trustees are of the opinion that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

1 Accounting policies - continued

1.4 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors 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.

In accordance with the Charities SORP (FRS102 revised 2024) fixed assets acquired using restricted incoming resources are classified as unrestricted when this is consistent with their use. The designated capital funds reflect the book value of such assets, which will be reduced over the useful life of the assets in line with their depreciation.

1.5 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 is recognised at the time of the donation.

Income from goods donated for sale by the charity are recognised at point of sale. As a result of the high volume of donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

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.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is classified under the following activity headings:

- Charitable activity comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

- Support costs include those costs which cannot be directly attributed to a particular heading, and include the governance costs of the charity. These are allocated to the relevant activity based on usage and staff time associated with each activity.

1 Accounting policies - continued

1.7 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	33% straight line
Computers	33% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

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 net income/(expenditure) for the year.

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 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.

1.10 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.

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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

1 Accounting policies - continued

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

1.11 Taxation
Emmaus Leeds is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

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.

1.13 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	2025 £	2024 £
Donations and legacies	151,845	22,496

Included in the donations is £120,000 (2024: £Nil) for the donation of two properties.

3 Charitable activities

	Grants, fees, contracts 2025 £	Trading income 2025 £	Total 2025 £	Grants, fees, contracts 2024 £	Trading income 2024 £	Total 2024 £
Housing benefit	231,146	-	231,146	243,522	-	243,522
Enterprise income	-	458,360	458,360	-	496,730	496,730
Grant income	4,016	-	4,016	6,918	-	6,918
	235,162	458,360	693,522	250,440	496,730	747,170

Of the total grant income of £4,016 (2024: £6,918), £Nil (2024: £4,500) relates to restricted grant income.

4 Charitable activities

	Community costs 2025 £	Enterprise costs 2025 £	Total 2025 £	Community costs 2024 £	Enterprise costs 2024 £	Total 2024 £
Staff costs	136,640	204,960	341,600	171,503	130,850	302,353
Other employment costs	6,238	4,816	11,054	4,233	3,230	7,463
Recruitment	-	1,972	1,972	558	426	984
Small equipment and tools	-	6,059	6,059	-	6,234	6,234
Marketing and publicity	-	5,995	5,995	-	2,921	2,921
Community costs	147,974	-	147,974	137,030	-	137,030
Volunteer expenses	-	798	798	270	211	481
Vehicle costs	-	33,953	33,953	-	26,253	26,253
Enterprise costs	-	17,081	17,081	-	16,682	16,682
Office expenses	-	4,270	4,270	1,669	1,273	2,942
Premises costs	39,030	58,544	97,574	45,804	51,969	97,773
Grant repayment	55,334	-	55,334	-	-	-
	385,216	338,448	723,664	361,067	240,049	601,116
Share of support costs (see note 5)	48,422	36,963	85,385	107,857	82,333	190,190
Share of governance costs (see note 5)	5,363	4,094	9,457	5,007	3,823	8,830
	702,505	116,001	818,506	473,931	326,205	800,136
Analysis of fund						
Unrestricted funds	702,505	116,001	818,506	472,801	326,027	798,828
Restricted funds	-	-	-	1,130	178	1,308
	702,505	116,001	818,506	473,931	326,205	800,136

5 Support costs

	Support costs £	Governance costs £	2025 £	2024 £
Legal and professional	-	9,457	9,457	58,553
Depreciation	57,409	-	57,409	58,631
Other running costs	79,589	-	79,589	73,006
(Profit) / Loss on disposal	(51,613)	-	(51,613)	8,830
	85,385	9,457	94,842	199,020

Governance costs includes audit fees of £4,500 (2024: £3,695) and fees for non-audit services of £4,000 (2024: £3,480).

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	11	12

Employment costs

	2025 £	2024 £
Wages and salaries	307,656	322,512
Social security costs	21,594	23,585
Other pension costs	12,350	14,809
	341,600	360,906

There were no employees whose annual remuneration was £60,000 or more (2024: no employees).

7 Comparatives for the Statement of Financial Activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income and endowments from:			
Donations and legacies	22,496	-	22,496
Charitable activities:			
Grants, fees, contracts	245,940	4,500	250,440
Trading income	496,730	-	496,730
Investment income	3,433	-	3,433
Other income	164	-	164
Total income	768,763	4,500	773,263
Expenditure on:			
Charitable activities	798,828	1,308	800,136
Net (expenditure)/income before transfers	(30,065)	3,192	(26,873)
Gross transfers between funds	-	-	-
Net (expenditure)/income and net movement in funds	(30,065)	3,192	(26,873)
Fund balances at 1 July 2023	1,561,980	178	1,562,158
Fund balances at 30 June 2024	1,531,915	3,370	1,535,285

8 Tangible fixed assets

	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 July 2024	1,788,504	138,542	56,810	125,720	2,109,576
Additions	203,292	-	-	-	203,292
Disposals	(101,175)	-	-	-	(101,175)
At 30 June 2025	1,890,621	138,542	56,810	125,720	2,211,693
Depreciation					
At 1 July 2024	639,497	131,699	56,660	77,844	905,700
Charge for the year	33,525	3,718	150	20,016	57,409
Disposals	(9,784)	-	-	-	(9,784)
At 30 June 2025	663,238	135,417	56,810	97,860	953,325
Net book value					
At 30 June 2025	1,227,383	3,125	-	27,860	1,258,368
At 30 June 2024	1,149,007	6,843	150	47,876	1,203,876

Freehold land with an estimated cost of £100,000 (2024: £100,000) is not depreciated.

9 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	10,450	7,989
Prepayments and accrued income	29,950	18,781
	40,400	26,770

10 Creditors: amounts falling due within one year

	2025 £	2024 £
Other creditors	11,443	14,847
Accruals	25,203	38,337
	36,646	53,184

11 Funds

Current year	Balance at 1 July 2024 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2025 £
Unrestricted funds:					
General funds	559,358	871,739	(961,440)	42,747	512,404
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
- St Mary's Street	852,200	-	-	(26,799)	825,401
- IT / Cybertill	111	-	-	(111)	-
- Move-on accommodation	80,246	-	-	(12,067)	68,179
- Gifted properties	-	120,000	-	(400)	119,600
Total unrestricted funds	1,531,915	991,739	(961,440)	3,370	1,565,584
Restricted funds:					
Emmaus UK	1,870	-	-	(1,870)	-
Other restricted funds	1,500	-	-	(1,500)	-
Total restricted funds	3,370	-	-	(3,370)	-
Total funds	1,535,285	991,739	(961,440)	-	1,565,584

Designated funds:

The opening designated fund of £40,000 had been designated to enable an orderly closure of the charity if operations ever needed to cease.

Designated capital funds reflect the net book value of assets acquired through restricted capital funding.

11 Funds - continued

Prior year	Balance at 1 July 2023	Income	Expenditure	Transfers	Balance at 30 June 2024
	£	£	£	£	£
Unrestricted funds:					
General funds	559,932	768,763	(798,828)	29,491	559,358
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
- St Mary's Street	879,000	-	-	(26,800)	852,200
- IT / Cybertill	1,013	-	-	(902)	111
- Move-on accommodation	82,035	-	-	(1,789)	80,246
Total unrestricted funds	1,561,980	768,763	(798,828)	-	1,531,915
Restricted funds:					
Emmaus UK	-	3,000	(1,130)	-	1,870
Other restricted funds	178	1,500	(178)	-	1,500
Total restricted funds	178	4,500	(1,308)	-	3,370
Total funds	1,562,158	773,263	(800,136)	-	1,535,285

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Current year			
Tangible assets			
Designated capital funds:			
- Move-on accommodation	68,179	-	68,179
- IT / Cybertill	-	-	-
- St Mary's Street	825,401	-	825,401
- Gifted properties	119,600	-	119,600
General Funds	245,188	-	245,188
	1,258,368	-	1,258,368
Net current assets / (liabilities)	307,216	-	307,216
	1,565,584	-	1,565,584
Prior year			
Tangible assets			
Designated capital funds:			
- Move-on accommodation	80,246	-	80,246
- IT / Cybertill	111	-	111
- St Mary's Street	852,200	-	852,200
General Funds	271,319	-	271,319
	1,203,876		1,203,876
Net current assets / (liabilities)	328,039	3,370	331,409
	1,531,915	3,370	1,535,285

13 Operating lease commitments

At the reporting end date the Charity had no (2024: £nil) outstanding commitments for future minimum lease payments under non-cancellable operating leases.

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2025 £	2024 £
Total employee benefits	64,769	81,328

None of the Trustees received any remuneration or benefits during the year (2024: none).

There were no other related party transactions in this or the prior year.

Charity Registration No. 1077790

Company Registration No. 03785564 (England and Wales)

Emmaus Leeds

(A Company Limited By Guarantee)

Trustees' Annual Report and Financial Statements

For The Year Ended 30 June 2025

Brown Butler
Chartered Accountants
Leeds

Emmaus Leeds
(A Company Limited By Guarantee)

Legal and Administrative Information

Trustees	Mark Lister (Chair & Treasurer) Simon Croft Andrew Smith Dr Nicholas Earl Anne Chambers Mary Ojidu John Doran Amanda Beresford Tracey Jukes Peter Hunt (Appointed 4 December 2024) Katie Bell (Appointed on 6 December 2023) (Resigned 4 December 2024)
Senior Staff	Gina Morrison (Executive Lead)
Secretary	Amanda Beresford
Charity Number	1077790
Company Number	03785564
Registered Office	St Mary's Street Leeds LS9 7DP
Auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	HSBC Bank plc PO Box 105 33 Park Row Leeds LS1 1LD

Emmaus Leeds
(A Company Limited By Guarantee)

Contents

	Page
Trustees' report (including Directors' report)	1 – 5
Statement of Trustees' responsibilities	6
Independent auditor's report	7 – 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 – 23

Emmaus Leeds
(A Company Limited By Guarantee)

Trustees' Report (including Directors' Report)
For the year ended 30 June 2025

The Trustees, who are also Directors for the purposes of Company Law, are pleased to present their annual report together with the financial statements of the charity for the year ended 30 June 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102).

The legal and administrative information constitutes part of this report.

Objectives and Activities

Overall Purpose
The charity's overall purpose is to provide individuals, male and female, with a home, companionship and the opportunity to develop improved life and work skills within the security of a self-supporting community with the aim of moving on from homelessness. The Objects defined in our constitution are as follows : -

"The alleviation and relief of poverty, hardship and distress arising therefrom to those in need without distinction by:-

1. The provision of accommodation or assistance in such provision, for the poor and homeless in the Leeds area and such other places as may seem appropriate from time to time.

2. The provision of education, training and employment training for such persons with the purpose of developing skills to enable them to gain employment.

3. The support of the work of other Emmaus communities 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 communities worldwide.

4. 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."

When reviewing our aims and objectives and in planning our future activities, the Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. In particular, the Trustees consider how planned activities will contribute to the Aims and Objectives they have set.

The Trustees have paid due regard to guidance issued by the Charities Commission in deciding what activities and Charity should undertake.

Achievements and Performance
I am pleased to report Emmaus Leeds continues to be in good health both as a Community and an Enterprise. The year to 30 June 2025 has seen a number of positive developments both in the trading operations and the running of the Community.

Throughout the past year Emmaus Leeds has helped 58 previously homeless people by providing them with support, accommodation and a purpose by inviting them to become Companions of the Emmaus Leeds community. We have continued to see a relatively high turnover of companions which is a reflection of the greater challenges facing Companions referred to us. However, this has slowed after the year end resulting in more stability in the Community and we are also seeing more positive outcomes when Companions do leave the Community. Of the 12 individuals who moved on during the year, 7 moved on to other accommodation and 4 into full-time employment. There have been 5 different training courses offered to Companions and a total of 33 attended those courses. Throughout the year covered by these accounts, occupancy has averaged 65% of our available rooms. As of the time of writing that figure is 60%. The lower occupancy rates during the year are a key area of concern for the Trustees and additional sources of referrals are actively being explored as well as adaptations to our current offering which would make it more attractive to potential Companions.

The biggest developments during the year have been in the provision of move on properties and services with one property sold but replaced by a more suitable property and two apartments kindly donated. As a result we now have 5 external properties in addition to the main St Mary's property, all of which are currently occupied by Companions in various stages of the move-on process. This has been a key development of the strategy pursued by the Trustees in the last few years.

Last year saw a fall of approximately 8% in the trading revenue of the Community, largely due to a dip in trading in the middle of the year. This was offset, however, by a significant increase in donations due to the two property gifts which resulted in an overall surplus for the year of £33,669. Trading stabilised in the last quarter of the year and the social enterprise side of the operations continues to be in a strong position. The Trustees would like to thank both staff and companions for their efforts during the year.

Fundraising Activities
We strive to achieve the highest fundraising standards and we value our supportive funders. We are staying up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) with the help of Emmaus UK to ensure we are legally compliant and adhering to all guidelines. No complaints have been received during the year in connection with fundraising.

Financial Review
The Statement of Financial Activities shows Total Income for the year of £848,805 (2024 £773,623) and a Surplus of £33,669 (2024 Deficit £26,873). The increase in Income was largely due to the donation of two properties, included at a combined value of £120,000 which offset a decline in trading income. Trading income decreased by 8% compared to the prior year. As with most businesses costs have been increasing, particularly with regards to Utilities and Food but these have been well controlled. Staff costs have increased due to annual increases and the filling of vacancies within the staff team. Although a reduction from the prior year the Trustees consider that the main store continues to perform strongly, bolstered by Internet sales and House Clearance income.

The Net Current Assets stood in total at £1,565,584 on 30 June 2025 (2024 £1,535,285). Emmaus Leeds is in a sound financial position and it owns its freehold property in St Mary's Street, as well as five additional leasehold properties, and it has no significant borrowings.

Principal Funding Sources
The total income for the year was £848,805. Enterprise income formed the majority of this at £458,360 (54%) while £235,162 (28%) was Housing Benefit. A further £151,845 (18%) came from Donations and Legacies, including £120,000 of property donations. At 30 June 2025 the Cash Balance stood at £303,462 (2024 £357,823).

Reserves Policy
Our reserves policy is reviewed each year. Our policy is to hold approximately £160,000 to cover business interruption or exceptional premises maintenance costs. This represents our best estimate of three months' current operating costs and likely maintenance expenditure. We feel it prudent to add £40,000 to that sum for exceptional winding-up costs, which is shown as a designated reserve. The cash reserves of the Charity at 30 June 2025 were well in excess of the reserves policy figures. The Trustees are currently reviewing this and possible investment including various capital projects and other items of revenue expenditure in line with the main objectives of the Charity.

Volunteers
I am pleased to report that our volunteer numbers have increased since the last report. We had a total of 12 individuals volunteer in the year to 30 June 2025. They gave a total of 3,680 hours of their time. The Trustees, as ever, are immensely grateful for their time, commitment and their overall contribution to the success of the Charity.

Risk management
The Trustees have carried out ongoing assessments of the Charity's activities, opportunities available to it and the risks to which it is exposed. These risks are identified in the risk register. The Trustees have considered their responsibilities under legislation including health and safety, employment law and safeguarding. Systems and procedures have been implemented to manage specific risks that have been identified, including training for all appropriate persons as necessary. The Trustees are specifically reviewing the likely impact of climate change on our future operations.

Plans for the future
The Trustees have an annual strategy day, alongside key employees. The topics of trading revenue and opportunities; Trustee, volunteer and staff welfare and recruitment and retention as appropriate; and local and central government policies are standing items. Trustees are also looking at property maintenance issues and the vehicle fleet we run as well as its environmental impact.

A key element of recent strategy has been the acquisition of individual residential properties to assist companions to successfully move on from the Community. With the two donated properties and a further acquisition the Charity now has five such properties.

The progress of the proposed Supported Housing (Regulatory Oversight) Act is still being closely monitored. The Act will apply to all forms of Supported Exempt Accommodation and will introduce National Supported Housing Standards and Principles and licensing arrangements, linked to Housing Benefit payments. Consequently it will undoubtedly have implications for Emmaus Leeds and the Trustees continue to closely monitor developments, with the assistance of Emmaus UK and in consultation with Leeds City Council. .

In the longer term the Trustees will continue to look to address its key aim of utilizing the Emmaus model in providing a route out of homelessness in Leeds, whilst ensuring the strong community already built up is not at risk. This will involve the application of any future surplus funds to projects meeting these aims.

Structure, Governance and Management

Governing Document
The Charity is a company limited by guarantee, incorporated on 9 June 1999 and registered as a charity. The Company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. The members of the company guarantee to contribute £1 each in the event of a winding up.

Constitution
Under the requirement of the Memorandum and Articles of Association the Trustees are elected to service for a period of three years after which they must be re-elected at the next Annual General Meeting.

The Board recruits new Trustees through a number of routes including personal relationship or recommendation, through the Government agency REACH and private agencies if required. All are required to be familiar with and committed to the work of Emmaus Leeds and receive an induction pack prepared and updated by Emmaus UK detailing both the global and local aspects of the Charity's work as well as clear guidance as to the responsibilities of a Trustee. This is largely based on the Charities Commission publication "The Essential Trustee". Thereafter, opportunities are offered for Trustees to engage in specific aspects of relevant training and visits to other communities to share experiences and ideas

Organisational Structure
The Board of Trustees meets quarterly to review activity and is responsible for determining required governance and the setting of strategy. The Trustees also hold annual strategy discussions to set the future programme for Emmaus Leeds. There are currently three sub-committees of the Board: Finance and Business; Human Resources; and Property.

The Executive Lead is charged with the implementation of policy as directed by the Board, through staff and volunteers. The Community Manager and support team are focused on Companion recruitment, wellbeing and onward progression. The Executive Lead is responsible for the building, the business and the staff, supported by a team of managers covering each of these areas.

Management Structure
Gina Morrison, the Executive Lead, has continued to lead the Charity supported by her management team. Whilst there have been some changes of personnel and some small changes to the structure the principle of a second tier of managers reporting to her remains and, in the view of the Trustees is the best way to serve the needs of the Community and the Social Enterprise. There are currently 11 members of staff in total, an increase from 10 in the previous year, as vacancies were filled. The Trustees would like to thank Gina Morrison and her staff for their efforts in ensuring these changes were processed efficiently.

The pay of the staff is reviewed annually and normally increased in line with inflation. Also it is reviewed with reference to management responsibilities. Remuneration is bench-marked with charities of similar size and activities, and the other Emmaus communities. This aims to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

External Relationships
Emmaus Leeds is one of 32 Emmaus Communities and Groups within the UK which form the UK Federation as part of the International Emmaus Movement. Emmaus UK provides valuable support in the form of national representation, it is a custodian of good practice, fundraising and guidance particularly for emerging groups. the Chair of Emmaus Leeds, is a member of the Board of Emmaus UK as a Trustee representing the interests of the Communities.

Locally Emmaus Leeds works with a range of referral agencies and charities which are also engaged in the provision of support for the homeless as well as the Furniture Reuse Group which works to enhance this aspect of environmental impact.

Statement of Trustees' Responsibilities
The Trustees, who are also directors of Emmaus Leeds for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

Auditor
In accordance with the company's articles, a resolution proposing Brown Butler be re-appointed as auditor of the company will be approved at the Annual General Meeting. Disclosure of information to the auditor The Board of Trustees who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out in the Charity Information section of this report in accordance with company law, as the Company's Directors, we certify that :-

- So far as we are aware, there is no relevant information of which the company's auditors are unaware
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Small Company Rules
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Trustees' Report was approved by the Board of Trustees.

Mr J M Lister
Chair of Trustees
Dated: 11 DECEMBER 2025

The Trustees, who are also the directors of Emmaus Leeds 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.

Independent Auditor's Report to the Members of Emmaus Leeds

We have audited the financial statements of Emmaus Leeds (the 'Charity') for the year ended 30 June 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2025 and of its income 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 charitable company 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.

Conclusion 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 charitable company'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 Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Continued on next page

Continued from previous page

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company 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
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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Continued on next page

Continued from previous page

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to deter material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included The Homelessness Reduction Act 2017, Companies Act 2006, the Charities Act 2011, pension and tax legislation together with the Charities SORP FRS102 (2024). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Using our general commercial and sector experience and through discussions with the trustees and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.

- We examined the charitable company's regulatory and legal correspondence and discussed with the trustees and other management any known or suspected instances of fraud or non-compliance with laws and regulations.

- We communicated identified laws and regulations and potential fraud risks of all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements. We also discussed related party relationships and transactions involving them.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Nicola Taylor FCA (Senior Statutory Auditor)
Brown Butler
Chartered Accountants
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT
..... 2025

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Financial Activities including Income and Expenditure Account
For the year ended 30 June 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Income from:					
Donations and legacies	2	151,845	-	151,845	22,496
Charitable activities:					
Grants, fees, contracts	3	235,162	-	235,162	250,440
Trading income	3	458,360	-	458,360	496,730
Investment income		3,438	-	3,438	3,433
Other income		-	-	-	164
Total income		848,805	-	848,805	773,263
Expenditure on:					
Charitable activities	4	(818,506)	-	(818,506)	(800,136)
Net income/(expenditure) before transfers		30,299	-	30,299	(26,873)
Gross transfers between funds		3,370	(3,370)	-	-
Net income/(expenditure) and net movement in funds		33,669	(3,370)	30,299	(26,873)
Fund balances at 1 July 2024		1,531,915	3,370	1,535,285	1,562,158
Fund balances at 30 June 2025		1,565,584	-	1,565,584	1,535,285

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 13 to 23 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)
Registered number 03785564
Balance Sheet
As at 30 June 2025

	Notes	2025 £		2024 £	
Fixed assets					
Tangible assets	8		1,258,368		1,203,876
Current assets					
Debtors	9	40,400		26,770	
Cash at bank and in hand		303,462		357,823	
		343,862		384,593	
Creditors: amounts falling due within one year	10	(36,646)		(53,184)	
Net current assets			307,216		331,409
Total assets less current liabilities			1,565,584		1,535,285
Funds:	11				
Unrestricted funds:					
General		512,404		559,358	
Designated		40,000		40,000	
Designated capital		1,013,180		932,557	
			1,565,584		1,531,915
Restricted funds			-		3,370
			1,565,584		1,535,285

The financial statements, which have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, were approved by the board of Trustees and authorised for issue on 10 DECEMBER 2025 and are signed on its behalf by:

.....
Mr JM Lister
Trustee

The notes on pages 13 to 23 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Cash Flows
For the year ended 30 June 2025

	2025 £		2024 £	
Cash generated from operations				
Surplus / (Deficit) for the year		30,299		(26,873)
Adjustments for:				
Investment income	(3,438)		(3,433)	
Depreciation	57,409		58,631	
Gifted properties	(120,000)		-	
(Profit) on disposal	(51,609)		-	
(Increase) in debtors	(13,630)		(1,353)	
(Decrease) / Increase in creditors	(16,538)		30,554	
		(147,806)		84,399
Cash flows from operating activities		(117,507)		57,526
Investing activities				
Purchase of tangible fixed assets	(83,292)		(83,030)	
Proceeds from sale of tangible fixed assets	143,000		-	
Interest received	3,438		3,433	
Net cash generated from/ (used in) investing activities		63,146		(79,597)
Net (decrease) in cash and cash equivalents		(54,361)		(22,071)
Cash and cash equivalents at beginning of year		357,823		379,894
Cash and cash equivalents at end of year		303,462		357,823

The Charity had no debt during this or the prior year.

The notes on pages 13 to 23 form part of these financial statements.

1 Accounting policies

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

Charity information
Emmaus Leeds is a private company limited by guarantee incorporated in England and Wales. The registered office is St Mary's Street, Leeds, LS9 7DP.

1.1 Accounting convention

The financial statements have been prepared in accordance with 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)" (as amended for accounting periods commencing from 1 January 2024).

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 £1.

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

1.2 Going concern

The Trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the charity to continue in operational existence for at least the next 12 months from the date of approval of the financial statements, and have adequate contingency plans in the event that income streams are reduced. Consequently, the financial statements have therefore been prepared on the basis that the charity is a going concern.

1.3 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.

The Trustees are of the opinion that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

1 Accounting policies - continued

1.4 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors 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.

In accordance with the Charities SORP (FRS102 revised 2024) fixed assets acquired using restricted incoming resources are classified as unrestricted when this is consistent with their use. The designated capital funds reflect the book value of such assets, which will be reduced over the useful life of the assets in line with their depreciation.

1.5 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 is recognised at the time of the donation.

Income from goods donated for sale by the charity are recognised at point of sale. As a result of the high volume of donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

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.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is classified under the following activity headings:

- Charitable activity comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

- Support costs include those costs which cannot be directly attributed to a particular heading, and include the governance costs of the charity. These are allocated to the relevant activity based on usage and staff time associated with each activity.

1 Accounting policies - continued

1.7 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	33% straight line
Computers	33% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

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 net income/(expenditure) for the year.

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 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.

1.10 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.

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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

1 Accounting policies - continued

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

1.11 Taxation
Emmaus Leeds is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

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.

1.13 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	2025 £	2024 £
Donations and legacies	151,845	22,496

Included in the donations is £120,000 (2024: £Nil) for the donation of two properties.

3 Charitable activities

	Grants, fees, contracts 2025 £	Trading income 2025 £	Total 2025 £	Grants, fees, contracts 2024 £	Trading income 2024 £	Total 2024 £
Housing benefit	231,146	-	231,146	243,522	-	243,522
Enterprise income	-	458,360	458,360	-	496,730	496,730
Grant income	4,016	-	4,016	6,918	-	6,918
	235,162	458,360	693,522	250,440	496,730	747,170

Of the total grant income of £4,016 (2024: £6,918), £Nil (2024: £4,500) relates to restricted grant income.

4 Charitable activities

	Community costs 2025 £	Enterprise costs 2025 £	Total 2025 £	Community costs 2024 £	Enterprise costs 2024 £	Total 2024 £
Staff costs	136,640	204,960	341,600	171,503	130,850	302,353
Other employment costs	6,238	4,816	11,054	4,233	3,230	7,463
Recruitment	-	1,972	1,972	558	426	984
Small equipment and tools	-	6,059	6,059	-	6,234	6,234
Marketing and publicity	-	5,995	5,995	-	2,921	2,921
Community costs	147,974	-	147,974	137,030	-	137,030
Volunteer expenses	-	798	798	270	211	481
Vehicle costs	-	33,953	33,953	-	26,253	26,253
Enterprise costs	-	17,081	17,081	-	16,682	16,682
Office expenses	-	4,270	4,270	1,669	1,273	2,942
Premises costs	39,030	58,544	97,574	45,804	51,969	97,773
Grant repayment	55,334	-	55,334	-	-	-
	385,216	338,448	723,664	361,067	240,049	601,116
Share of support costs (see note 5)	48,422	36,963	85,385	107,857	82,333	190,190
Share of governance costs (see note 5)	5,363	4,094	9,457	5,007	3,823	8,830
	702,505	116,001	818,506	473,931	326,205	800,136
Analysis of fund						
Unrestricted funds	702,505	116,001	818,506	472,801	326,027	798,828
Restricted funds	-	-	-	1,130	178	1,308
	702,505	116,001	818,506	473,931	326,205	800,136

5 Support costs

	Support costs £	Governance costs £	2025 £	2024 £
Legal and professional	-	9,457	9,457	58,553
Depreciation	57,409	-	57,409	58,631
Other running costs	79,589	-	79,589	73,006
(Profit) / Loss on disposal	(51,613)	-	(51,613)	8,830
	85,385	9,457	94,842	199,020

Governance costs includes audit fees of £4,500 (2024: £3,695) and fees for non-audit services of £4,000 (2024: £3,480).

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	11	12

Employment costs

	2025 £	2024 £
Wages and salaries	307,656	322,512
Social security costs	21,594	23,585
Other pension costs	12,350	14,809
	341,600	360,906

There were no employees whose annual remuneration was £60,000 or more (2024: no employees).

7 Comparatives for the Statement of Financial Activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income and endowments from:			
Donations and legacies	22,496	-	22,496
Charitable activities:			
Grants, fees, contracts	245,940	4,500	250,440
Trading income	496,730	-	496,730
Investment income	3,433	-	3,433
Other income	164	-	164
Total income	768,763	4,500	773,263
Expenditure on:			
Charitable activities	798,828	1,308	800,136
Net (expenditure)/income before transfers	(30,065)	3,192	(26,873)
Gross transfers between funds	-	-	-
Net (expenditure)/income and net movement in funds	(30,065)	3,192	(26,873)
Fund balances at 1 July 2023	1,561,980	178	1,562,158
Fund balances at 30 June 2024	1,531,915	3,370	1,535,285

8 Tangible fixed assets

	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 July 2024	1,788,504	138,542	56,810	125,720	2,109,576
Additions	203,292	-	-	-	203,292
Disposals	(101,175)	-	-	-	(101,175)
At 30 June 2025	1,890,621	138,542	56,810	125,720	2,211,693
Depreciation					
At 1 July 2024	639,497	131,699	56,660	77,844	905,700
Charge for the year	33,525	3,718	150	20,016	57,409
Disposals	(9,784)	-	-	-	(9,784)
At 30 June 2025	663,238	135,417	56,810	97,860	953,325
Net book value					
At 30 June 2025	1,227,383	3,125	-	27,860	1,258,368
At 30 June 2024	1,149,007	6,843	150	47,876	1,203,876

Freehold land with an estimated cost of £100,000 (2024: £100,000) is not depreciated.

9 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	10,450	7,989
Prepayments and accrued income	29,950	18,781
	40,400	26,770

10 Creditors: amounts falling due within one year

	2025 £	2024 £
Other creditors	11,443	14,847
Accruals	25,203	38,337
	36,646	53,184

11 Funds

Current year	Balance at 1 July 2024 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2025 £
Unrestricted funds:					
General funds	559,358	871,739	(961,440)	42,747	512,404
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
- St Mary's Street	852,200	-	-	(26,799)	825,401
- IT / Cybertill	111	-	-	(111)	-
- Move-on accommodation	80,246	-	-	(12,067)	68,179
- Gifted properties	-	120,000	-	(400)	119,600
Total unrestricted funds	1,531,915	991,739	(961,440)	3,370	1,565,584
Restricted funds:					
Emmaus UK	1,870	-	-	(1,870)	-
Other restricted funds	1,500	-	-	(1,500)	-
Total restricted funds	3,370	-	-	(3,370)	-
Total funds	1,535,285	991,739	(961,440)	-	1,565,584

Designated funds:

The opening designated fund of £40,000 had been designated to enable an orderly closure of the charity if operations ever needed to cease.

Designated capital funds reflect the net book value of assets acquired through restricted capital funding.

11 Funds - continued

Prior year	Balance at 1 July 2023	Income	Expenditure	Transfers	Balance at 30 June 2024
	£	£	£	£	£
Unrestricted funds:					
General funds	559,932	768,763	(798,828)	29,491	559,358
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
- St Mary's Street	879,000	-	-	(26,800)	852,200
- IT / Cybertill	1,013	-	-	(902)	111
- Move-on accommodation	82,035	-	-	(1,789)	80,246
Total unrestricted funds	1,561,980	768,763	(798,828)	-	1,531,915
Restricted funds:					
Emmaus UK	-	3,000	(1,130)	-	1,870
Other restricted funds	178	1,500	(178)	-	1,500
Total restricted funds	178	4,500	(1,308)	-	3,370
Total funds	1,562,158	773,263	(800,136)	-	1,535,285

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Current year			
Tangible assets			
Designated capital funds:			
- Move-on accommodation	68,179	-	68,179
- IT / Cybertill	-	-	-
- St Mary's Street	825,401	-	825,401
- Gifted properties	119,600	-	119,600
General Funds	245,188	-	245,188
	1,258,368	-	1,258,368
Net current assets / (liabilities)	307,216	-	307,216
	1,565,584	-	1,565,584
Prior year			
Tangible assets			
Designated capital funds:			
- Move-on accommodation	80,246	-	80,246
- IT / Cybertill	111	-	111
- St Mary's Street	852,200	-	852,200
General Funds	271,319	-	271,319
	1,203,876		1,203,876
Net current assets / (liabilities)	328,039	3,370	331,409
	1,531,915	3,370	1,535,285

13 Operating lease commitments

At the reporting end date the Charity had no (2024: £nil) outstanding commitments for future minimum lease payments under non-cancellable operating leases.

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2025 £	2024 £
Total employee benefits	64,769	81,328

None of the Trustees received any remuneration or benefits during the year (2024: none).

There were no other related party transactions in this or the prior year.

BrownButler
Chartered Accountants

Audit Highlights Report for the year ended 30 June 2025

Date of issue: 25 November 2025

emmaus Leeds
working together to end homelessness

CONTENTS AND INTRODUCTION

The contacts at Brown Butler in connection with this report are:

Nicola Taylor
Audit Director
Tel: 0113 394 0762
NicolaTaylor@brownbutler.com

CONTENTS

1 AUDIT SCOPE AND OBJECTIVES

2 AUDIT OPINION

3 MANAGEMENT LETTER

4 SIGNIFICANT AUDIT RISKS AND OTHER PARTICULAR AREAS OF AUDIT FOCUS

APPENDICES

A1 MATERIAL MISSTATEMENTS

A2 UNCORRECTED MISSTATEMENTS

A3 AUDIT ADJUSTMENTS

A4 INDEPENDENCE

A5 MATERIALITY

A6 DRAFT REPRESENTATION LETTER

We present our report to the directors of Emmaus Leeds which details the key findings arising from the audit that we believe will be relevant as required by International Standard on Auditing (UK) 260. It forms a key part of our communication strategy with you, a strategy which is designed to promote effective two-way communication throughout the audit process. Its content has been discussed with management. The appendices also include other important information that we are required to communicate to those charged with governance.

As auditors we are responsible for performing our audit in accordance with International Standards on Auditing (UK) which are directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management nor those charged with governance of their responsibilities for the preparation of the financial statements.

As the purpose of the audit is for us to express an opinion on the financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

The matters raised in our report, prepared in connection with the audit, are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the Emmaus Leeds and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

1. AUDIT SCOPE AND OBJECTIVES

The scope of our work as agreed in our engagement letter dated 1 July 2025 is to carry out an audit in accordance with International Standards on Auditing (UK), and to provide assistance in preparing the financial statements in appropriate statutory format.

Emmaus Leeds is required to prepare financial statements for the year ended 30 June 2025. The charity prepares its financial statements in accordance with Charities SORP applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Our audit scope covers an audit in accordance with International Standards on Auditing (UK) of the statutory financial statements, to form an opinion on whether:

1. The financial statements give a true and fair view of the state of the charities affairs as at 30 June 2025 and deficit for the year then ended.
2. The financial statements have been properly prepared in accordance with Charities SORP and UK and Republic of Ireland (FRS 102).
3. The financial statements have been prepared in accordance with Companies Act 2006.
4. The information given in the Trustees' Report is consistent with the financial statements.
5. We are required to make a positive statement that there are no material uncertainties giving rise to the charity not being a going concern for a period of at least twelve months from the date of approval of the financial statements.
6. We give an assessment of the capability of the audit in detecting irregularities, including fraud.

The legislation under which we report also requires us to consider by exception whether:

1. Adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us.
2. The charity's financial statements are not in agreement with the accounting records and returns.
3. Certain disclosures of trustees' remuneration specified by law are not made.
4. We have not received all the information and explanations we require for an audit.

2. AUDIT OPINION

We have substantially completed our audit work in respect of the financial statements for the year ended 30 June 2025 and anticipate issuing an unqualified opinion on the financial statements.

Summary of outcomes

- We have completed our audit procedures in accordance with the planned scope and our objectives have been achieved.
- There were no significant changes to our planned audit approach nor were any restrictions placed on our work.
- No additional significant audit risks were identified during the course of our audit procedures subsequent to our audit planning report to you. We report our findings in the key areas we previously identified in section 4 of our report.

Outstanding matters

The following matters are outstanding at the date of this report.

1	Final assessment of going concern to the date of approval of financial statements, reflecting any post year end developments.
2	Management representation letter, draft as attached in Appendix A6, to be approved and signed.
3	Formal approval and signature of the financial statements on behalf of the board, and our subsequent formal approval and signature of our audit report.

3. MANAGEMENT LETTER

We are required to report to you, in writing, significant deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you.

As the purpose of the audit is for us to express an opinion on the charities financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

We have noted the following deficiencies in internal controls, which require strengthening:

1. During the course of our audit, we noted that there were items posted as exempt for VAT rather than zero rated and visa versa. While there is no VAT adjustment as a result of this, the disclosures made to HMRC on the VAT returns may be incorrect. This may also have an impact on the partial exemption calculation.

   We recommend that a check of the VAT treatment per the invoices is made to the entry on to QuickBooks when posting the invoices. A more detailed review will also be undertaken as part of the management account process.

Where we have identified minor accounting or calculation errors, we have discussed these with your finance team and have made reference to them in section 4, but do not consider there to be any matters of sufficient importance to specifically bring these to your attention.

4. SIGNIFICANT AUDIT RISKS AND OTHER PARTICULAR AREAS OF AUDIT FOCUS

The significant risks and other particular areas of audit focus identified at the planning stage of the audit, as communicated to you in our 'Audit Approach' letter of 15 September 2025, are set our below together with an overview of the work undertaken and audit outcome. No additional risks have been identified through our audit procedures.

RISK AND AREA OF WORK	WORK UNDERTAKEN AND CONCLUSIONS REACHED
Management override of controls	The ISAs presume that a risk of management override of controls is present in all entities. We respond to this risk by reviewing and testing the appropriateness of journal entries recorded in the nominal ledger and other adjustments made in the preparation of the financial statements, reviewing accounting estimates for possible bias and where necessary obtaining an understanding of the business rationale of significant transactions outside the normal course of the business. We identified no issues in the course of our work which suggest the inappropriate management override of controls.
Revenue recognition	The correct recognition of income in line with FR102 was considered in detail. Our testing of income included detailed transactional testing of a sample of sales, fees and donations with comparison of income and assessment of sales completeness. We also reviewed cut-off around the year end and the recoverability of trade debtors. Fees income recognised in Quick-books was confirmed to grant funding agreements and to the claims made in the year, calculations of fees applied for has also been verified and audited. We are satisfied that income has been properly recognised in the financial statements. The debtors ledger has also been reviewed.
Compliance with Laws & Regulations	This was identified as an area of particular focus given that the charity operates in such a heavily regulated sector. We discussed compliance matters with management and documented how potential compliance exposure is controlled and mitigated within the organisation. We read minutes of board meetings in the year, and reviewed legal and professional expenditure to identify any potential compliance issues. We identified no matters of concern in respect of compliance with Laws and Regulation in the course of our audit work.

4. SIGNIFICANT AUDIT RISKS AND OTHER PARTICULAR AREAS OF AUDIT FOCUS continued

RISK AND AREA OF WORK	WORK UNDERTAKEN AND CONCLUSION
Going concern	Under the revised ISA700 we need to make a positive statement within our audit report, rather than just confirming managements' assessment, that going concern is appropriate. As part of our work, we considered the financial position of the charity at the balance sheet date. We reviewed the budget for the forthcoming year and the management accounts for the first quarter of the year. We are satisfied from our work that the financial statements have been properly prepared on a going concern basis, with appropriate disclosures made in the financial statements.
Charity overheads and controls	Our testing of overheads, invoices and payments, included detailed transactional testing, across various charity costs and overheads. Our testing included reviewing payment authorisation and documentation through to processing within the finance function. We are satisfied that the overheads and expenses have been recognised within the financial statements to give a true and fair view.
Fixed Assets	We performed a physical verification of assets from the fixed asset register (selected on a haphazard sample basis) during our site visit in September 2025. Reviewed the register for any potential disposals and tested the profit on disposal calculation. Fixed asset register was cross cast and agreed to the management accounts, to make sure they agreed. We acquired all title deeds relating to properties held by the charity, agreed the new donated properties to the transfer documentation and agreed to previously audited financial statements.
Wages & Pensions	We selected five employees at random from payroll information to make sure appropriate documentation was being maintained on file. We have found appropriate documents on each employee on file and historic records as required. Payroll summaries were reconciled back to the financial statements. Payroll expense bank transfers made to the bureau were checked via the bank account to the payroll bureau summaries supplied by them. Checks on calculations for deductions made for taxation purpose and pension contributions, were carried out and found to be correct.

Bank & Cash Account

We have checked reconciliations of all bank accounts to statements received from the appropriate financial institutions and confirmed reconciliations to the Quick-books software used when the reconciliation process took place - bank accounts have been reconciled on a frequent basis.

Unusual bank transactions checked to appropriate documentation.

APPENDICES

A1. MATERIAL MISSTATEMENTS

We are required to bring to your attention details of all material misstatements, whether caused by fraud or error, and ensure these are corrected in the final financial statements.

We confirm that no material misstatements were identified during the course of our audit work. We did however make the following adjustments as part of the preparation of the financial statements:

A2. UNCORRECTED MISSTATEMENTS

We are required to bring to your attention details of all uncorrected errors, other than those considered as clearly trivial, and obtain your explanations for not adjusting for these items within the financial statements.

There were no uncorrected misstatements and any other misstatements identified during the course of our audit work have been trivial in nature, and that we therefore consider there to be no further items to bring to your attention.

A3. ADJUSTED ITEMS IN PREPARATION OF FINANCIAL STATEMENTS

Nature of misstatement & circumstances of its occurrence	P&L effect	B/S effect
Being overstatement of insurance prepayments		
Prepayments		2,885
Insurance	2,885	
Being understatement of audit accrual		
Accruals		(1,000)
Audit & Accountancy	(1,000)	
Being adjustment for post year end invoices		
Accruals		(10,248)
Small equipment & tools	(25)	
Training - Companions	(59)	
Room maintenance	(2,594)	
Subscriptions	(47)	
Bank Charges & interest	(493)	
Postage	(573)	
Electricity	(2,305)	
Gas	(4,152)	
Net impact	(8,363)	(8,363)

A4. INDEPENDENCE

Under Auditing and Ethical Standards, we are required as auditors to confirm our independence to 'those charged with governance'. In our opinion, and as confirmed by you, we consider that for these purposes it is appropriate to designate the board of trustees as those charged with governance.

Our internal procedures are designed to ensure that all trustees and professional staff are aware of relationships that may be considered to bear on our objectivity and independence as auditors. The principal statements of policies are set out in our firm guidance. In addition, we have embedded the requirements of the Standards in our methodologies, tools and internal training programmes.

The procedures require that audit engagement directors are made aware of any matters which may reasonably be thought to bear on the firm's independence and the objectivity of the audit engagement director and the audit staff. This document considers such matters in the context of our audit for the year ended 30 June 2025.

We have assisted management in the preparation of the statutory financial statements, which have been prepared on the basis of the management accounts and information required to complete the notes to the accounts which were prepared by the Emmaus Leeds management team. We consider this non-audit service to be purely of a technical and mechanical nature, not involving the exercise of judgement, and with all relevant matters discussed and agreed by management.

We have been engaged previously to provide VAT advice to the charity, however we have assessed there is no potential threat to our independence arising from the level of fees charged for non-audit services.

We confirm that the firm complies with the Financial Reporting Council's Ethical Standards for Auditors and, in our professional judgement, is independent and objective within the meaning of those Standards.

In our professional judgement the policies and safeguards in place ensure that we are independent within the meanings of all regulatory and professional requirements and that the objectivity of the audit engagement director and audit staff is not impaired.

Should you have any comments or queries regarding this confirmation we would welcome their discussion in more detail.

A5. MATERIALITY

We set out below the levels of materiality that we have set for the purposes of our audit:

ENTITY	BASIS OF CALCULATION FOR FINANCIAL STATEMENT MATERIALITY	OVERALL MATERIALITY £	PERFORMANCE MATERIALITY £	CLEARLY TRIVIAL THRESHOLD £
Emmaus Leeds	Income	17,000	12,750	850

The materiality levels were set at the planning stage and no change to materiality levels was considered to be necessary for the purposes of our audit.

CONCEPT AND DEFINITION

- The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to monetary misstatements but also to disclosure requirements and adherence to appropriate accounting principles and statutory requirements.

- International Standard on Auditing (UK) 320 'Audit Materiality' addresses the concept of materiality and explains it as 'misstatements, including omissions that could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its own omission or misstatement. Materiality provides a threshold or benchmark against which any errors or differences of opinion between management and ourselves can be evaluated.'

- It is important to understand that an item may be considered material for reasons other than size, if for example, it had an impact on:
  - Narrative disclosure e.g. accounting policies, going concern.
  - Compliance with loan covenants.
  - Instances when greater precision is required (e.g. trustee' emoluments).

- Materiality for Emmaus Leeds has been set on the basis of income, as this is considered the most appropriate indicator for a performance to meet the needs of the charity.

A5. MATERIALITY continued

CALCULATION AND DETERMINATION

- We have determined materiality based on professional judgement in the context of our knowledge of the charity, and reporting requirements for the financial statements.
- We determine materiality in order to:
  - Assist in establishing the scope of our audit engagement and audit tests.
  - Calculate sample sizes.
  - Assist in evaluating the effect of known and likely misstatements on the group financial statements.
- Performance materiality is calculated as a percentage of overall materiality and is used to calculate our sample sizes to enable any material misstatements to be more easily identified. The usual percentages applied are between 75% (low risk) to 50% (high risk).

  We have considered 75% of overall materiality to be an appropriate level of performance materiality on the basis of our initial risk assessment.

REASSESSMENT OF MATERIALITY

- We reconsider materiality, during the course of our audit engagement if we become aware of facts and circumstances that caused us to make a different determination of planning materiality.
- Further, when we have performed all our tests and are ready to evaluate the results of those tests (including any misstatements we detected) we will consider whether materially combined with the nature, timing and extent of our auditing procedures, provided a sufficient audit scope. If we conclude that our audit scope was sufficient, we will use materiality to evaluate whether uncorrected misstatements (individually or in aggregate) are material.

'CLEARLY TRIVIAL' AND UNADJUSTED ERRORS

- In accordance with auditing standards, we will communicate to board all uncorrected misstatements identified during our audit, other than those which we believe are 'clearly trivial'.
- Clearly trivial is defined as matters which will be of a wholly different (smaller) order by magnitude than the materiality thresholds used in the audit, and will be matters that are clearly inconsequential, whether taken individually or in aggregate. We have set this level at 5% of total materiality.
- There are a number of areas where we would strongly recommend/request any misstatements identified during the audit process being adjusted. These include:
  - Clear cut errors whose correction would cause non-compliance with loan covenants, management compensation agreements, other contractual obligations or governmental regulations that we consider are significant.
  - Other misstatements that we believe are material or clearly wrong.

A6. DRAFT REPRESENTATION LETTER

Dear Sirs

LETTER OF REPRESENTATION
FOR THE YEAR ENDED 30 JUNE 2025

This representation letter is provided in connection with your statutory audit of the financial statements of Emmaus Leeds (the charitable company) for the year ended 30 June 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial position of the charitable company in accordance with the Companies Act 2006, the Charities Act 2011 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Financial Statements

1. We have fulfilled our responsibilities as directors/trustees under your engagement letter dated 1 July 2025, under the Companies Act 2006 and the Charities Act 2011 for preparing financial statements in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) which give a true and fair view of the financial position of the charity as at 30 June 2025 and of the results of its operation for the year then ended and for making accurate representations to you.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. There are no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting standards.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.
7. We confirm the adjustments made to the financial statements during the audit as set out in A3 of the highlights report and appendix A of this letter.
8. We confirm the financial statements are free of material misstatements, including omissions. We are not aware of any non-trivial uncorrected misstatements identified during the year.
9. We confirm that, having considered our expectations and intentions for at least the next twelve months, and the availability of working capital, the charity is a going concern. We confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.

A6. DRAFT REPRESENTATION LETTER continued

Information Provided

10. All accounting records and relevant information have been made available to you for the purpose of your audit. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have deemed it necessary to request information. All other records and related information, including minutes of all management and shareholders meetings, have been made available to you.
11. All transactions undertaken by the charity have been properly reflected in the accounting records and are reflected in the financial statements.
12. We acknowledge responsibility for the design, implementation and maintenance of controls to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves management, employees who have a significant role in internal control, or others, where fraud could have a material effect on the financial statements.
14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
15. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its business and which could affect the financial statements. The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
16. We confirm that we have disclosed to you the identity of the entity's related parties and all related party relationships and transactions relevant to the company that we are aware of.
17. The company has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
18. There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.
19. The charity has at no time during the year entered into any agreement, transaction or agreement to provide credit facilities (including loans, quasi loans or credit transactions) for trustees, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.
20. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. We have taken all the steps that we ought to have taken as trustees in order to make ourself aware of any relevant audit information and to establish that you are aware of that information.

A6. DRAFT REPRESENTATION LETTER continued

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourself that we can properly make each of the above representations to you.

Yours faithfully

…….
Trustee

Date:……

Charity names:	Emmaus Leeds
Charity number	1077790
Registered offices	St Mary's Street Leeds LS9 7DP

A6. DRAFT REPRESENTATION LETTER continued

Appendix A

Deficit/Surplus Reconciliation	£
Surplus per Management Accounts	38,660
Movement in accruals	(11,246)
Movement in prepayments	2,885
Deficit per Statutory Financial Statements	30,299

The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the association and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

Brown Butler Limited is a corporate entity.

Copyright@2019 Brown Butler Limited. All rights reserved.

EMMAUS LEEDS

England & Wales - Charity number 1077790

Accounts

Charity Registration No. 1077790

Company Registration No. 03785564 (England and Wales)

Emmaus Leeds

(A Company Limited By Guarantee)

Trustees' Annual Report and Financial Statements

For The Year Ended 30 June 2024

Brown Butler
Chartered Accountants
Leeds

Emmaus Leeds
(A Company Limited By Guarantee)

Legal and Administrative Information

Trustees	Glenn Miller (Retired 6 December 2023) Mark Lister (Chair & Treasurer) Simon Croft Andrew Smith Hugo Groves (Resigned 30 September 2023) Dr Nicholas Earl Anne Chambers Mary Ojidu John Doran Amanda Beresford Christina Tan (Appointed on 14 June 2023) (Resigned 5 June 2024) Michael Devaney (Appointed on 20 July 2023) (Resigned 17 October 2023) Tracey Jukes (Appointed on 14 July 2023) Katie Bell (Appointed on 6 December 2023) (Resigned 4 December 2024)
Senior Staff	Donald Forrester (Chief Executive Officer) (Retired 30 September 2023) Gina Morrison (Executive Lead)
Secretary	Amanda Beresford
Charity Number	1077790
Company Number	03785564
Registered Office	St Mary's Street Leeds LS9 7DP
Auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	HSBC Bank plc PO Box 105 33 Park Row Leeds LS1 1LD

Emmaus Leeds
(A Company Limited By Guarantee)

Contents

	Page
Trustees' report (including Directors' report)	1 – 5
Statement of Trustees' responsibilities	6
Independent auditor's report	7 – 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 – 24

The Trustees, who are also Directors for the purposes of Company Law, are pleased to present their annual report together with the financial statements of the charity for the year ended 30 June 2024 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102).

The legal and administrative information constitutes part of this report.

Objectives and Activities

Overall Purpose
The charity's overall purpose is to provide individuals, male and female, with a home, companionship and the opportunity to develop improved life and work skills within the security of a self-supporting community with the aim of moving on from homelessness. The Objects defined in our constitution are as follows : -

"The alleviation and relief of poverty, hardship and distress arising therefrom to those in need without distinction by:-

1. The provision of accommodation or assistance in such provision, for the poor and homeless in the Leeds area and such other places as may seem appropriate from time to time.

2. The provision of education, training and employment training for such persons with the purpose of developing skills to enable them to gain employment.

3. The support of the work of other Emmaus communities 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 communities worldwide.

4. 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."

When reviewing our aims and objectives and in planning our future activities, the Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. In particular, the Trustees consider how planned activities will contribute to the Aims and Objectives they have set.

The Trustees have paid due regard to guidance issued by the Charities Commission in deciding what activities and Charity should undertake.

Achievements and Performance
October 2023 marked the 20th Anniversary of the Emmaus Leeds Community opening for business and I am pleased to report Emmaus Leeds continues to be in good health both as a Community and an Enterprise. The year to 30 June 2024 has seen a number of positive developments both in the trading operations and the running of the Community.

Throughout the past year Emmaus Leeds has helped 61 previously homeless people by providing them with support, accommodation and a purpose by inviting them to become Companions of the Emmaus Leeds community. We have continued to see a relatively high turnover of companions which is a reflection of the greater challenges facing Companions referred to us. However, this has slowed after the year end resulting in more stability in the Community and we are also seeing more positive outcomes when Companions do leave the Community. Of the 20 individuals who moved on during the year, 15 moved on to other accommodation and 5 into full-time employment. There have been 39 different training courses offered to Companions and a total of 62 attended those courses. Throughout the year covered by these accounts, occupancy has averaged 78% of our available rooms. As of the time of writing that figure is 81%. The position of Companion Assistant was discontinued during the year but the Companions continue to take responsibility for the security of the building each evening and at weekends. We also have a weekly meeting for Companions to exchange views, ideas and information. As well as on our own account we have worked with other Emmaus Communities and with Emmaus UK. We have also set up a Solidarity Committee with representatives from the Companions, members of Staff and the Board of Trustees which has been able to help several local charities, including other homeless Charities.

We currently have three move on properties of which two have been occupied throughout the year. The third is in the process of being sold but we are replacing it with another, more suitable property, which is in the process of being acquired. The Trustees view the provision of move on assistance as a key strategy for Emmaus Leeds going forward and, the provision of accommodation to assist this process is an important part of this process.

Last year was a record year for the trading operations of the Community and the current year has continued to see a performance strong with income only just failing to reach the £500,000 level achieved for the first time last year. A small deficit was recorded due, primarily to a reduction in Grants received. In the context of a difficult trading environment for Charity shops and rising costs this is a positive achievement and reflects the efforts of both the staff and companions and the Trustees would like to take this opportunity to thank them.

Fundraising Activities
We strive to achieve the highest fundraising standards and we value our supportive funders. We are staying up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) with the help of Emmaus UK to ensure we are legally compliant and adhering to all guidelines. No complaints have been received during the year in connection with fundraising.

Financial Review
The Statement of Financial Activities shows Total Income for the year of £773,263 (2023 £875,982) and a Deficit of £26,873 (2023 Surplus £99,933). Total Income decreased by approximately £103,000 which was largely due to the high level of Grant Receivables in the prior year which related to specific projects in that year. Trading income decreased by 4% compared to the prior year. As with most businesses costs have been increasing, particularly with regards to Utilities and Food but these have been well controlled, although a project to replace the fire doors in the Community saw a high level of property maintenance. During the year the main store has performed strongly and been bolstered by Internet sales and House Clearance income.

The Net Current Assets stood in total at £1,535,285 on 30 June 2024 (2023 £1,562,158). Emmaus Leeds is in a sound financial position and it owns its freehold property in St Mary's Street, and it has no significant borrowings.

Principal Funding Sources
The total income for the year was £773,263. Enterprise income formed the majority of this at £496,730 (64%) while £243,522 (31%) was Housing Benefit. The remainder of our income was made up of grants, donations and investment income. At 30 June 2024 the Cash Balance stood at £357,823 (2023 £379,894).

Reserves Policy
Our reserves policy is reviewed each year. Our policy is to hold approximately £160,000 to cover business interruption or exceptional premises maintenance costs. This represents our best estimate of three months' current operating costs and likely maintenance expenditure. We feel it prudent to add £40,000 to that sum for exceptional winding-up costs, which is shown as a designated reserve. The cash reserves of the Charity at 30 June 2024 were well in excess of the reserves policy figures. The Trustees are currently reviewing this and possible investment including various capital projects and other items of revenue expenditure in line with the main objectives of the Charity.

Volunteers
I am pleased to report that our volunteer numbers have increased since the last report. We had a total of 10 individuals volunteer in the year to 30 June 2024. They gave a total of 3,582 hours of their time. The Trustees, as ever, are immensely grateful for their time, commitment and their overall contribution to the success of the Charity.

Risk management
The Trustees have carried out ongoing assessments of the Charity's activities, opportunities available to it and the risks to which it is exposed. These risks are identified in the risk register. The Trustees have considered their responsibilities under legislation including health and safety, employment law and safeguarding. Systems and procedures have been implemented to manage specific risks that have been identified, including training for all appropriate persons as necessary. The Trustees are specifically reviewing the likely impact of climate change on our future operations.

Plans for the future
The Trustees have an annual strategy day, alongside key employees. The topics of trading revenue and opportunities; Trustee, volunteer and staff welfare and recruitment and retention as appropriate; and local and central government policies are standing items; Trustees are also looking to build on the success of their "move-on house" project with a current purchase in hand and the acquisition of further properties if appropriate. Trustees are also looking at property maintenance issues and the vehicle fleet we run as well as its environmental impact.

The progress of the proposed Supported Housing (Regulatory Oversight) Act will undoubtedly have implications for Emmaus Leeds and the Trustees continue to closely monitor developments, particularly in the light of the recent change in Government.

In the longer term the Trustees will continue to look to address its key aim of utilizing the Emmaus model in providing a route out of homelessness in Leeds, whilst ensuring the strong community already built up is not at risk. This will involve the application of any future surplus funds to projects meeting these aims.

Structure, Governance and Management

Governing Document
The Charity is a company limited by guarantee, incorporated on 9 June 1999 and registered as a charity. The Company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. The members of the company guarantee to contribute £1 each in the event of a winding up.

Constitution
Under the requirement of the Memorandum and Articles of Association the Trustees are elected to service for a period of three years after which they must be re-elected at the next Annual General Meeting.

The Board recruits new Trustees through a number of routes including personal relationship or recommendation, through the Government agency REACH and private agencies if required. All are required to be familiar with and committed to the work of Emmaus Leeds and receive an induction pack prepared and updated by Emmaus UK detailing both the global and local aspects of the Charity's work as well as clear guidance as to the responsibilities of a Trustee. This is largely based on the Charities Commission publication "The Essential Trustee". Thereafter, opportunities are offered for Trustees to engage in specific aspects of relevant training and visits to other communities to share experiences and ideas

Organisational Structure
The Board of Trustees meets quarterly to review activity and is responsible for determining required governance and the setting of strategy. The Trustees also hold annual strategy discussions to set the future programme for Emmaus Leeds. There are currently three sub-committees of the Board: Finance and Business; Human Resources; and Property.

The Executive Lead is charged with the implementation of policy as directed by the Board, through staff and volunteers. The Community Manager and support team are focused on Companion recruitment, wellbeing and onward progression. The Executive Lead is responsible for the building, the business and the staff, supported by a team of managers covering each of these areas.

Management Structure
Gina Morrison, the Executive Lead, took over the overall responsibility for the organisation from 1 July 2023 and the management team was restructured to create a second tier of managers reporting to her. Due to circumstances and efficiencies achieved by the new management team, the restructuring has been adapted during the year to better serve the needs of the Community and the Enterprise. There are currently 10 members of staff in total, a reduction from 12 in the previous year. The Trustees would like to thank Gina Morrison and her staff for their efforts in ensuring these changes were processed efficiently.

The pay of the staff is reviewed annually and normally increased in line with inflation. Also it is reviewed with reference to management responsibilities. Remuneration is bench-marked with charities of similar size and activities, and the other Emmaus communities. This aims to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

External Relationships
Emmaus Leeds is one of 32 Emmaus Communities and Groups within the UK which form the UK Federation as part of the International Emmaus Movement. Emmaus UK provides valuable support in the form of national representation, it is a custodian of good practice, fundraising and guidance particularly for emerging groups. In March 2024 Mark Lister, the Chair of Emmaus Leeds, joined the Board of Emmaus UK as a Trustee representing the interests of the Communities.

Locally Emmaus Leeds works with a range of referral agencies and charities which are also engaged in the provision of support for the homeless as well as the Furniture Reuse Group which works to enhance this aspect of environmental impact.

Statement of Trustees' Responsibilities
The Trustees, who are also directors of Emmaus Leeds for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

Auditor
In accordance with the company's articles, a resolution proposing Brown Butler be re-appointed as auditor of the company will be approved at the Annual General Meeting. Disclosure of information to the auditor The Board of Trustees who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out in the Charity Information section of this report in accordance with company law, as the Company's Directors, we certify that :-

- So far as we are aware, there is no relevant information of which the company's auditors are unaware
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Small Company Rules
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Trustees' Report was approved by the Board of Trustees.

Mr J M Lister
Chair of Trustees

Dated: …….. 2024

The Trustees, who are also the directors of Emmaus Leeds 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.

Independent Auditor's Report to the Members of Emmaus Leeds

We have audited the financial statements of Emmaus Leeds (the 'Charity') for the year ended 30 June 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2024 and of its income 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 charitable company 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.

Conclusion 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 charitable company'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 Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Continued on next page

Continued from previous page

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company 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
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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Continued on next page

Continued from previous page

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to deter material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included The Homelessness Reduction Act 2017, Companies Act 2006, the Charities Act 2011, pension and tax legislation together with the Charities SORP FRS102 (October 2019). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Using our general commercial and sector experience and through discussions with the trustees and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.

- We examined the charitable company's regulatory and legal correspondence and discussed with the trustees and other management any known or suspected instances of fraud or non-compliance with laws and regulations.

- We communicated identified laws and regulations and potential fraud risks of all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements. We also discussed related party relationships and transactions involving them.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Linda Cooper (Senior Statutory Auditor)
Brown Butler
Chartered Accountants
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT
……. 2024

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Financial Activities including Income and Expenditure Account
For the year ended 30 June 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	**Total 2024** £	**Total 2023** £
Income from:					
Donations and legacies	2	22,496	-	22,496	33,714
Charitable activities:					
Grants, fees, contracts	3	245,940	4,500	250,440	321,436
Trading income	3	496,730	-	496,730	519,054
Investment income		3,433	-	3,433	1,358
Other income		164	-	164	420
Total income		768,763	4,500	773,263	875,982
Expenditure on:					
Charitable activities	4	798,828	1,308	800,136	776,049
Net (expenditure)/income before transfers		(30,065)	3,192	(26,873)	99,933
Gross transfers between funds		-	-	-	-
Net (expenditure)/income and net movement in funds		(30,065)	3,192	(26,873)	99,933
Fund balances at 1 July 2023		1,561,980	178	1,562,158	1,462,225
Fund balances at 30 June 2024		1,531,915	3,370	1,535,285	1,562,158

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 13 to 24 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)
Registered number 03785564
Balance Sheet
As at 30 June 2024

	Notes	2024 £		2023 £	
Fixed assets					
Tangible assets	8		1,203,876		1,179,477
Current assets					
Debtors	9	26,770		25,417	
Cash at bank and in hand		357,823		379,894	
		384,593		405,311	
Creditors: amounts falling due within one year	10	(53,184)		(22,630)	
Net current assets			331,409		382,681
Total assets less current liabilities			1,535,285		1,562,158
Funds:	11				
Unrestricted funds:					
General		559,358		559,932	
Designated		40,000		40,000	
Designated capital		932,557		962,048	
			1,531,915		1,561,980
Restricted funds			3,370		178
			1,535,285		1,562,158

The financial statements, which have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, were approved by the board of Trustees and authorised for issue on …….. 2024 and are signed on its behalf by:

……
Mr JM Lister
Trustee

The notes on pages 13 to 24 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Cash Flows
For the year ended 30 June 2024

	2024 £		2023 £	
Cash generated from operations				
(Deficit) / Surplus for the year		(26,873)		99,933
Adjustments for:				
Investment income	(3,433)		(1,358)	
Depreciation	58,631		49,983	
(Increase) / Decrease in debtors	(1,353)		15,394	
Increase / (Decrease) in creditors	30,554		(6,404)	
		84,399		57,615
Cash flows from operating activities		57,526		157,548
Investing activities				
Purchase of tangible fixed assets	(83,030)		(161,076)	
Interest received	3,433		1,358	
Net cash used in investing activities		(79,597)		(159,718)
Net (decrease) / increase in cash and cash equivalents		(22,071)		(2,170)
Cash and cash equivalents at beginning of year		379,894		382,064
Cash and cash equivalents at end of year		357,823		379,894

The Charity had no debt during this or the prior year.

The notes on pages 13 to 24 form part of these financial statements.

1 Accounting policies

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

Charity information
Emmaus Leeds is a private company limited by guarantee incorporated in England and Wales. The registered office is St Mary's Street, Leeds, LS9 7DP.

1.1 Accounting convention

The financial statements have been prepared in accordance with 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)" (as amended for accounting periods commencing from 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 £1.

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

1.2 Going concern

The Trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the charity to continue in operational existence for at least the next 12 months from the date of approval of the financial statements, and have adequate contingency plans in the event that income streams are reduced. Consequently, the financial statements have therefore been prepared on the basis that the charity is a going concern.

1.3 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.

The Trustees are of the opinion that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

1 Accounting policies - continued

1.4 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors 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.

In accordance with the Charities SORP (FRS102 revised 2019) fixed assets acquired using restricted incoming resources are classified as unrestricted when this is consistent with their use. The designated capital funds reflect the book value of such assets, which will be reduced over the useful life of the assets in line with their depreciation.

1.5 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 is recognised at the time of the donation.

Income from goods donated for sale by the charity are recognised at point of sale. As a result of the high volume of donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

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.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is classified under the following activity headings:

- Charitable activity comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

- Support costs include those costs which cannot be directly attributed to a particular heading, and include the governance costs of the charity. These are allocated to the relevant activity based on usage and staff time associated with each activity.

1 Accounting policies - continued

1.7 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	33% straight line
Computers	33% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

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 net income/(expenditure) for the year.

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 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.

1.10 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.

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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

1 Accounting policies - continued

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

1.11 Taxation
Emmaus Leeds is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

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.

1.13 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	2024 £	2023 £
Donations and legacies	22,496	33,714

3 Charitable activities

	Grants, fees, contracts 2024 £	Trading income 2024 £	Total 2024 £	Grants, fees, contracts 2023 £	Trading income 2023 £	Total 2023 £
Housing benefit	243,522	-	243,522	236,049	-	236,049
Enterprise income	-	496,730	496,730	-	519,054	519,054
Grant income	6,918	-	6,918	85,387	-	85,387
	250,440	496,730	747,170	321,436	519,054	840,490

Of the total grant income of £6,918 (2023: £85,387), £4,500 (2023: £35,000) relates to restricted grant income.

4 Charitable activities

	Community costs 2024 £	Enterprise costs 2024 £	Total 2024 £	Community costs 2023 £	Enterprise costs 2023 £	Total 2023 £
Staff costs	171,503	130,850	302,353	156,286	140,196	296,482
Other employment costs	4,233	3,230	7,463	5,244	4,002	9,246
Recruitment	558	426	984	653	498	1,151
Small equipment and tools	-	6,234	6,234	-	11,113	11,113
Marketing and publicity	-	2,921	2,921	-	2,500	2,500
Community costs	137,030	-	137,030	136,165	-	136,165
Volunteer expenses	270	211	481	85	66	151
Vehicle costs	-	26,253	26,253	-	54,631	54,631
Enterprise costs	-	16,682	16,682	-	23,069	23,069
Office expenses	1,669	1,273	2,942	1,971	1,504	3,475
Premises costs	45,804	51,969	97,773	40,493	28,171	68,664
	361,067	240,049	601,116	340,897	265,750	606,647
Share of support costs (see note 5)	107,857	82,333	190,190	86,391	76,611	163,002
Share of governance costs (see note 5)	5,007	3,823	8,830	3,630	2,770	6,400
	473,931	326,205	800,136	430,918	345,131	776,049
Analysis of fund						
Unrestricted funds	472,801	326,027	798,828	430,918	345,131	776,049
Restricted funds	1,130	178	1,308	-	-	-
	473,931	326,205	800,136	430,918	345,131	776,049

5 Support costs

	Support costs £	Governance costs £	2024 £	2023 £
Staff costs	58,553	-	58,553	53,956
Depreciation	58,631	-	58,631	49,983
Other running costs	73,006	-	73,006	59,063
Legal and professional	-	8,830	8,830	6,400
	190,190	8,830	199,020	169,402

Governance costs includes audit fees of £3,695 (2023: £3,200) and fees for non-audit services of £3,480 (2023: £3,200).

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	12	14

Employment costs

	2024 £	2023 £
Wages and salaries	322,512	313,321
Social security costs	23,585	21,933
Other pension costs	14,809	15,184
	360,906	350,438

There were no employees whose annual remuneration was £60,000 or more (2023: no employees).

7 Comparatives for the Statement of Financial Activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income and endowments from:			
Donations and legacies	33,714	-	33,714
Charitable activities			
Grants, fees, contracts	286,436	35,000	321,436
Trading income	519,054	-	519,054
Investments	1,358	-	1,358
Other income	420	-	420
Total income	840,982	35,000	875,982
Expenditure on:			
Charitable activities	776,049	-	776,049
Net expenditure and net movement in funds	64,933	35,000	99,933
Gross transfers between funds	35,000	(35,000)	-
Fund balances at 1 July 2022	1,462,047	178	1,462,225
Fund balances at 30 June 2023	1,561,980	178	1,562,158

8 Tangible fixed assets

	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 July 2023	1,712,464	138,542	56,810	118,730	2,026,546
Additions	76,040	-	-	6,990	83,030
Disposals	-	-	-	-	-
At 30 June 2024	1,788,504	138,542	56,810	125,720	2,109,576
Depreciation					
At 1 July 2023	606,107	127,059	56,075	57,828	847,069
Charge for the year	33,390	4,640	585	20,016	58,631
Disposals	-	-	-	-	-
At 30 June 2024	639,497	131,699	56,660	77,844	905,700
Net book value					
At 30 June 2024	1,149,007	6,843	150	47,876	1,203,876
At 30 June 2023	1,106,357	11,483	735	60,902	1,179,477

Freehold land with an estimated cost of £100,000 (2023: £100,000) is not depreciated.

9 Debtors

Amounts falling due within one year:	2024 £	2023 £
Other debtors	7,989	10,350
Prepayments and accrued income	18,781	15,067
	26,770	25,417

10 Creditors: amounts falling due within one year

	2024 £	2023 £
Other creditors	14,847	15,544
Accruals	38,337	7,086
	53,184	22,630

11 Funds

Current year	Balance at 1 July 2023	Income	Expenditure	Transfers	Balance at 30 June 2024
	£	£	£	£	£
Unrestricted funds:					
General funds	559,932	768,763	(798,828)	29,491	559,358
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
- St Mary's Street	879,000	-	-	(26,800)	852,200
- IT / Cybertill	1,013	-	-	(902)	111
- Move-on accommodation	82,035	-	-	(1,789)	80,246
Total unrestricted funds	1,561,980	768,763	(798,828)	-	1,531,915
Restricted funds:					
Emmaus UK	-	3,000	(1,130)	-	1,870
Other restricted funds	178	1,500	(178)	-	1,500
Total restricted funds	178	4,500	(1,308)	-	3,370
Total funds	1,562,158	773,263	(800,136)	-	1,535,285

Restricted funds:

The charity has received restricted funds in the year from Rotary Club of £1,500 for the purchase of kitchen equipment and £3,000 from Emmaus UK for driving lessons.

Designated funds:

The opening designated fund of £40,000 had been designated to enable an orderly closure of the charity if operations ever needed to cease.

Designated capital funds reflect the net book value of assets acquired through restricted capital funding.

11 Funds - continued

Prior year	Balance at 1 July 2022 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2023 £
Unrestricted funds:					
General funds	465,778	840,982	(776,049)	29,221	559,932
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
-St Mary's Street	905,798	-	-	(26,798)	879,000
-Move-on accommodation	48,704	-	-	33,331	82,035
-IT / Cybertill	1,767	-	-	(754)	1,013
Total unrestricted funds	1,462,047	840,982	(776,049)	35,000	1,561,980
Restricted funds:					
Emmaus UK					
- Capital purchases	-	35,000	--	(35,000)	-
- Other restricted funds	178	-	-	-	178
Total restricted funds	178	35,000	-	(35,000)	178
Total funds	1,462,225	875,982	(776,049)	-	1,562,158

12 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
Current year	£	£	£
Tangible assets			
Designated capital funds:			
- Move-on accommodation	80,246	-	80,246
- IT / Cybertill	111	-	111
- St Mary's Street	852,200	-	852,200
General Funds	271,319	-	271,319
	1,203,876	-	1,203,876
Net current assets / (liabilities)	336,830	3,370	340,200
	1,540,706	3,370	1,544,076
Prior year			
Tangible assets			
Designated capital funds:			
- Move-on accommodation	82,035	-	82,035
- IT / Cybertill	1,013	-	1,013
- St Mary's Street	879,000	-	879,000
General Funds	217,251	-	217,251
Training Courses	-	178	178
	1,179,299	178	1,179,477
Net current assets / (liabilities)	382,681	-	382,681
	1,561,980	178	1,562,158

13 Operating lease commitments

At the reporting end date the Charity had no (2023: £nil) outstanding commitments for future minimum lease payments under non-cancellable operating leases.

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2024	2023
	£	£
Total employee benefits	81,328	93,907

None of the Trustees received any remuneration or benefits during the year (2023: none).

There were no other related party transactions in this or the prior year.

EMMAUS LEEDS

England & Wales - Charity number 1077790

Accounts

Charity Registration No. 1077790

Company Registration No. 03785564 (England and Wales)

Emmaus Leeds

(A Company Limited By Guarantee)

Trustees' Annual Report and Financial Statements

For The Year Ended 30 June 2023

Brown Butler
Chartered Accountants
Leeds

Emmaus Leeds
(A Company Limited By Guarantee)

Legal and Administrative Information

Trustees	Glenn Miller (Chair to September 2022) (Retired 6 December 2023) Mark Lister (Chair from September 2022 and Treasurer) Simon Croft Andrew Smith Hugo Groves (Resigned 30 September 2023) Dr Nicholas Grudgings Anne Chambers Mary Ojidu John Doran Amanda Beresford Christina Tan (Appointed on 14 June 2023) Michael Devaney (Appointed on 20 July 2023) (Resigned 17 October 2023) Tracey Jukes (Appointed on 14 July 2023)
Senior Staff	Donald Forrester (Chief Executive Officer) (Retired 30 September 2023) Gina Morrison (General Manager)
Secretary	Amanda Beresford
Charity Number	1077790
Company Number	03785564
Registered Office	St Mary's Street Leeds LS9 7DP
Auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	HSBC Bank plc PO Box 105 33 Park Row Leeds LS1 1LD

Emmaus Leeds
(A Company Limited By Guarantee)

Contents

	Page
Trustees' report (including Directors' report)	1 – 5
Independent auditor's report	5 – 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 – 24

Emmaus Leeds
(A Company Limited By Guarantee)

Trustees' Report (including Directors' Report)
For the year ended 30 June 2023

The Trustees, who are also Directors for the purposes of Company Law, are pleased to present their annual report together with the financial statements of the charity for the year ended 30 June 2023 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)(Charities SORP FRS102 (revised 2019)).

The legal and administrative information constitutes part of this report.

Objectives and activities
Overall Purpose
The charity's overall purpose is to provide individuals, male and female, with a home, companionship and the opportunity to develop improved life and work skills within the security of a self-supporting community with the aim of moving on from homelessness. The Objects defined in our constitution are as follows : -

"The alleviation and relief of poverty, hardship and distress arising therefrom to those in need without distinction by:-

1. The provision of accommodation or assistance in such provision, for the poor and homeless in the Leeds area and such other places as may seem appropriate from time to time.
2. The provision of education, training and employment training for such persons with the purpose of developing skills to enable them to gain employment.
3. The support of the work of other Emmaus communities 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 communities worldwide.
4. 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."

When reviewing our aims and objectives and in planning our future activities, the Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. In particular, the Trustees consider how planned activities will contribute to the Aims and Objectives they have set.

The Trustees have paid due regard to guidance issued by the Charities Commission in deciding what activities and Charity should undertake.

Achievements and performance
October 2023 marks the 20th Anniversary of the Emmaus Leeds Community opening for business and I am pleased to report Emmaus Leeds is in good health both as a Community and an Enterprise.
The year to 30 June 2023 has seen a number of positive developments both in the trading operations and the running of the Community.

Throughout the past year Emmaus Leeds has helped 47 previously homeless people by providing them with support, accommodation and a purpose by inviting them to become Companions of the Emmaus Leeds community. We have had a significantly greater turnover of companions in part as a delayed consequence of the lockdown periods and, in part a reflection of the greater challenges facing Companions referred to us. Of the 14 individuals who left us during the year, 10 moved on to other accommodation and 4 into full-time employment. There have been 9 different training courses offered to Companions and a total of 43 attended those courses as of the time of writing.

Achievements and performance (continued)
Throughout the year covered by these accounts, occupancy has averaged 86% of our available rooms.

As of the time of writing that figure is 79%.

We have had 4 Companions who have held the position of Companion Assistant. They take responsibility for the security of the building each evening and at weekends. We also have a weekly meeting for Companions to exchange views, ideas and information.

As well as on our own account we have worked with other Emmaus Communities and with Emmaus UK. We have also set up a Solidarity Committee with representatives from the Companions, members of Staff and the Board of Trustees which has been able to help several local charities, including other homeless Charities.

Our two move on properties have been occupied throughout the year and proved their worth in assisting Companions move towards independence. The Trustees view the provision of move on assistance as a key strategy for Emmaus Leeds going forward and, subsequent to the year end, a further single occupancy property has been acquired.

The trading operations of the Community have been particularly strong during the year with income exceeding the £500,000 level for the first time and a significant trading surplus arising. Whilst this is, to some extent, a function of the current cost of living crisis it also reflects the efforts of both the staff and companions and the Trustees would like to take this opportunity to thank them.

Fundraising activities
We strive to achieve the highest fundraising standards and we value our supportive funders. We are staying up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) with the help of Emmaus UK to ensure we are legally compliant and adhering to all guidelines.

No complaints have been received during the year in connection with fundraising.

Financial Review
The Statement of Financial Activities shows Total Income for the year of £875,982 (2022 £705,393) and a Surplus of £99,933 (2022 Deficit £14,304). The most pleasing feature of these results is the level of Trading income which was 18% ahead of the prior year. As with most businesses costs have been increasing, particularly with regards to Utilities and Food but these have been well controlled resulting in the surplus recorded.

During the year the main store has performed strongly and been bolstered by Internet sales and House Clearance income. The decision was taken to close our second outlet in Leeds market during the year but this had no adverse impact on the overall trading levels.

The Net Assets stood in total at £1,562,158 on 30 June 2023 (202 £1,462,225). Emmaus Leeds is in a sound financial position and it owns its freehold property in St Mary's Street, and it has no significant borrowings.

Principal Funding Sources
The total income for the year was £875,982. Enterprise income formed the majority of this at £519,054 (59%) while £236,049 (27%) was Housing Benefit. The remainder of our income was made up of grants, donations and investment income.

Reserves Policy
Our reserves policy is reviewed each year. Our policy is to hold approximately £160,000 to cover business interruption or exceptional premises maintenance costs. This represents our best estimate of three months' current operating costs and likely maintenance expenditure. We feel it prudent to add £40,000 to that sum for exceptional winding-up costs, which is shown as a designated reserve.

The free cash reserves of the Charity at 30 June 2023 were £339,894 which exceed the reserves policy figures. The Trustees are currently reviewing this and possible investment including various capital projects and other items of revenue expenditure in line with the main objectives of the Charity.

Volunteers
Unfortunately our volunteer numbers have fallen since the last report due to death and illness. In particular, we would like to remember Peter Talbot who gave years of service as a volunteer in the Community but unfortunately passed away this year. We had a total of 6 individuals volunteer in the year to 30 June 2023. They gave a total of 2,548 hours of their time. The Trustees, as ever, are immensely grateful for their time, commitment and their overall contribution to the success of the Charity.

Risk management
The Trustees have carried out ongoing assessments of the Charity's activities, opportunities available to it and the risks to which it is exposed. These risks are identified in the risk register. The Trustees have considered their responsibilities under legislation including health and safety, employment law and safeguarding. Systems and procedures have been implemented to manage specific risks that have been identified, including training for all appropriate persons as necessary. The Trustees are specifically reviewing the likely impact of climate change on our future operations.

Plans for the future
The Trustees have an annual strategy day, alongside key employees. The topics of trading revenue and opportunities; Trustee, volunteer and staff welfare and recruitment and retention as appropriate; and local and central government policies are standing items; Trustees are also looking to build on the success of their "move-on house" project with a purchase perhaps of further properties if appropriate. Trustees are also looking at property maintenance issues and the vehicle fleet we run as well as its environmental impact.

In the longer term the Trustees will continue to look to address its key aim of utilizing the Emmaus model in providing a route out of homelessness in Leeds, whilst ensuring the strong community already built up is not at risk. This will involve the application of any future surplus funds to projects meeting these aims.

Structure, governance and management
Governing Document
The Charity is a company limited by guarantee, incorporated on 9 June 1999 and registered as a charity.

The Company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. The members of the company guarantee to contribute £1 each in the event of a winding up.

Constitution
Under the requirement of the Memorandum and Articles of Association the Trustees are elected to service for a period of three years after which they must be re-elected at the next Annual General Meeting.

Recruitment of Trustees
Three new Trustees have been recruited since the last report and have taken an active role in the governance of Emmaus Leeds. As reported in the last report Glenn Miller retired as Chairman in September 2022 but remained as a Trustee. He is retiring as a Trustee at the December Board meeting and the Board of Trustees would like to thank him for his massive contribution for over 15 years. The Board recruits new Trustees through a number of routes including personal relationship or recommendation, through the Government agency REACH and private agencies if required. All are required to be familiar with and committed to the work of Emmaus Leeds and receive an induction pack prepared and updated by Emmaus UK detailing both the global and local aspects of the Charity's work as well as clear guidance as to the responsibilities of a Trustee. This is largely based on the Charities Commission publication "The Essential Trustee". Thereafter, opportunities are offered for Trustees to engage in specific aspects of relevant training and visits to other communities to share experiences and ideas.

Organisational Structure
The Board of Trustees meets quarterly to review activity and is responsible for determining required governance and the setting of strategy. The Trustees also hold annual strategy discussions to set the future programme for Emmaus Leeds. The General Manager is charged with the implementation of policy as directed by the Board, through staff and volunteers. The Community Leader and support team are focused on Companion recruitment, wellbeing and onward progression. The General Manager is responsible for the building, the business and the staff, supported by a team of managers covering each of these areas. There are currently three sub-committees of the Board: Finance and Business; Human Resources; and Property.

Management Structure
In September 2023 the CEO, Donald Forrester, retired as CEO of Emmaus Leeds after 6 years in the role. The strong position we find ourselves in at the moment is primarily due to the stability created by Donald during his tenure.

Gina Morrison, the General Manager, has taken over the overall responsibility for the organisation and the management team was restructured to create a second tier of managers reporting to her. The community is managed by the Community Manager and the business side is managed by a Finance and Buildings Manager and a Retail and Operations Manager. There are currently 12 members of staff in total.

This transition was planned in advance and it is to both Gina and Donald's credit that it has proceeded smoothly.

The pay of the staff is reviewed annually and normally increased in line with inflation. Also it is reviewed with reference to management responsibilities. Remuneration is bench-marked with charities of similar size and activities, and the other Emmaus communities. This aims to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

External Relationships
Emmaus Leeds is one of 33 Emmaus Communities and Groups within the UK which form the UK Federation as part of the International Emmaus Movement. Emmaus UK provides valuable support in the form of national representation, it is a custodian of good practice, fundraising and guidance particularly for emerging groups. Locally Emmaus Leeds works with a range of referral agencies and charities which are also engaged in the provision of support for the homeless as well as the Furniture Reuse Group which works to enhance this aspect of environmental impact.

Statement of Trustees' Responsibilities
The Trustees, who are also directors of Emmaus Leeds for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

Auditor
In accordance with the company's articles, a resolution proposing Brown Butler be re-appointed as auditor of the company will be approved at the Annual General Meeting.

Disclosure of information to the auditor
The Board of Trustees who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out in the Charity Information section of this report in accordance with company law, as the Company's Directors, we certify that :

- So far as we are aware, there is no relevant information of which the company's auditors are unaware
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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.

Small Company Rules
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Trustees' Report was approved by the Board of Trustees.

Mr J Lister
Chair of Trustees
Dated: 6 December 2023

We have audited the financial statements of Emmaus Leeds (the 'Charity') for the year ended 30 June 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of its income 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 charitable company 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.

Conclusion 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 charitable company'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 Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Continued on next page

Continued from previous page

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the Statement of Trustees' Responsibilities, set out on page 5 within the Trustees' Report, the Trustees (who are also the directors of the charitable company 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
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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Continued on next page

Continued from previous page

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to deter material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included the Companies Act 2006, the Charities Act 2011, pension and tax legislation together with the Charities SORP FRS102 (Revised 2019). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Using our general commercial and sector experience and through discussions with the trustees and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.

- We examined the charitable company's regulatory and legal correspondence and discussed with the trustees and other management any known or suspected instances of fraud or non-compliance with laws and regulations.

- We communicated identified laws and regulations and potential fraud risks of all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements. We also discussed related party relationships and transactions involving them.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Brown Butler

Linda Cooper (Senior Statutory Auditor)
Brown Butler
Chartered Accountants
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT

15/12/ 2023

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Financial Activities including Income and Expenditure Account
For the year ended 30 June 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	**Total 2023** £	**Total 2022** £
Income from:					
Donations and legacies	2	33,714	-	33,714	23,784
Charitable activities:					
Grants, fees, contracts	3	286,436	35,000	321,436	239,315
Trading income	3	519,054	-	519,054	441,244
Investment income		1,358	-	1,358	212
Other income		420	-	420	838
Total income		840,982	35,000	875,982	705,393
Expenditure on:					
Charitable activities	4	776,049	-	776,049	719,697
Net income/(expenditure) before transfers		64,933	35,000	99,933	(14,304)
Gross transfers between funds		35,000	(35,000)	-	-
Net income/(expenditure) and net movement in funds		99,933	-	99,933	(14,304)
Fund balances at 1 July 2022		1,462,047	178	1,462,225	1,476,529
Fund balances at 30 June 2023		1,561,980	178	1,562,158	1,462,225

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 12 to 24 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)
Registered number 03785564
Balance Sheet
As at 30 June 2023

	Notes	2023 £		2022 £	
Fixed assets					
Tangible assets	8		1,179,477		1,068,384
Current assets					
Debtors	9	25,417		40,811	
Cash at bank and in hand		379,894		382,064	
		405,311		422,875	
Creditors: amounts falling due within one year	10	(22,630)		(29,034)	
Net current assets			382,681		393,841
Net Assets			1,562,158		1,462,225
Funds:	11				
Unrestricted funds:					
General		559,932		465,778	
Designated		40,000		40,000	
Designated capital		962,048		956,269	
			1,561,980		1,462,047
Restricted funds			178		178
			1,562,158		1,462,225

The financial statements, which have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, were approved by the board of Trustees and authorised for issue on 6 December 2023 and are signed on its behalf by:

.....
Mr JM Lister
Trustee

The notes on pages 12 to 24 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Cash Flows
For the year ended 30 June 2023

	2023 £		2022 £	
Cash generated from operations				
Surplus / (Deficit) for the year		99,933		(14,308)
Adjustments for:				
Investment income	(1,358)		(211)	
Depreciation	49,983		51,586	
Decrease / (Increase) in debtors	15,394		(3,425)	
(Decrease) / Increase in creditors	(6,404)		5,069	
		57,615		53,019
Cash flows from operating activities		157,548		38,711
Investing activities				
Purchase of tangible fixed assets	(161,076)		(3,377)	
Interest received	1,358		212	
Net cash used in investing activities		(159,718)		(3,165)
Net (decrease) / increase in cash and cash equivalents		(2,170)		35,546
Cash and cash equivalents at beginning of year		382,064		346,518
Cash and cash equivalents at end of year		379,894		382,064

The Charity had no debt during this or the prior year.

The notes on pages 12 to 24 form part of these financial statements.

1 Accounting policies

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

Charity information
Emmaus Leeds is a private company limited by guarantee incorporated in England and Wales. The registered office is St Mary's Street, Leeds, LS9 7DP.

1.1 Accounting convention

The financial statements have been prepared in accordance with 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)" (as amended for accounting periods commencing from 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 £1.

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

1.2 Going concern

The Trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the charity to continue in operational existence for at least the next 12 months from the date of approval of the financial statements, and have adequate contingency plans in the event that income streams are reduced. Consequently, the financial statements have therefore been prepared on the basis that the charity is a going concern.

1.3 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.

The Trustees are of the opinion that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

1 Accounting policies - continued

1.4 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors 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.

In accordance with the Charities SORP (FRS102 revised 2019) fixed assets acquired using restricted incoming resources are classified as unrestricted when this is consistent with their use. The designated capital funds reflect the book value of such assets, which will be reduced over the useful life of the assets in line with their depreciation.

1.5 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 is recognised at the time of the donation.

Income from goods donated for sale by the charity are recognised at point of sale. As a result of the high volume of donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

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.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is classified under the following activity headings:

- Charitable activity comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

- Support costs include those costs which cannot be directly attributed to a particular heading, and include the governance costs of the charity. These are allocated to the relevant activity based on usage and staff time associated with each activity.

1 Accounting policies - continued

1.7 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	33% straight line
Computers	33% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

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 net income/(expenditure) for the year.

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 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.

1.10 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.

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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

1 Accounting policies - continued

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

1.11 Taxation
Emmaus Leeds is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

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.

1.13 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	2023 £	2022 £
Donations and legacies	33,714	23,784

3 Charitable activities

	Grants, fees, contracts 2023 £	Trading income 2023 £	Total 2023 £	Grants, fees, contracts 2022 £	Trading income 2022 £	Total 2022 £
Housing benefit	236,049	-	236,049	236,347	-	236,347
Enterprise income	-	519,054	519,054	-	441,244	441,244
Grant income	85,387	-	85,387	2,968	-	2,968
	321,436	519,054	840,490	239,315	441,244	680,559

Of the total grant income of £85,387 (2022: £2,968), £35,000 (2022: £Nil) relates to restricted grant income.

4 Charitable activities

	Community costs 2023 £	Enterprise costs 2023 £	Total 2023 £	Community costs 2022 £	Enterprise costs 2022 £	Total 2022 £
Staff costs	156,286	140,196	296,482	140,562	107,243	247,805
Other employment costs	5,244	4,002	9,246	4,272	3,259	7,531
Recruitment	653	498	1,151	31	23	54
Small equipment and tools	-	11,113	11,113	-	4,261	4,261
Marketing and publicity	-	2,500	2,500	-	148	148
Community costs	136,165	-	136,165	124,374	-	124,374
Volunteer expenses	85	66	151	569	434	1,003
Vehicle costs	-	54,631	54,631	-	32,906	32,906
Enterprise costs	-	23,069	23,069	-	35,669	35,669
Office expenses	1,971	1,504	3,475	2,084	1,590	3,674
Premises costs	40,493	28,171	68,664	41,283	38,917	80,200
	340,897	265,750	606,647	313,175	224,450	537,625
Share of support costs (see note 5)	86,391	76,611	163,002	92,046	81,821	173,867
Share of governance costs (see note 5)	3,630	2,770	6,400	4,654	3,551	8,205
	430,918	345,131	776,049	409,875	309,822	719,697
Analysis of fund						
Unrestricted funds	430,918	345,131	776,049	408,098	309,822	717,920
Restricted funds	-	-	-	1,777	-	1,777
	430,918	345,131	776,049	409,875	309,882	719,697

5 Support costs

	Support costs £	Governance costs £	2023 £	2022 £
Staff costs	53,956	-	53,956	48,526
Depreciation	49,983	-	49,983	51,586
Other running costs	59,063	-	59,063	73,755
Legal and professional	-	6,400	6,400	8,205
	163,002	6,400	169,402	182,072

Governance costs includes audit fees of £3,200 (2022: £3,200) and fees for non-audit services of £3,200 (2022: £4,000).

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	14	13

Employment costs

	2023 £	2022 £
Wages and salaries	313,321	260,614
Social security costs	21,933	22,450
Other pension costs	15,184	13,267
	350,438	296,331

There were no employees whose annual remuneration was £60,000 or more (2022: no employees).

7 Comparatives for the Statement of Financial Activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income and endowments from:			
Donations and legacies	23,784	-	23,784
Charitable activities			
Grants, fees, contracts	237,360	1,955	239,315
Trading income	441,244	-	441,244
Investments	212	-	212
Other income	838	-	838
Total income	703,438	1,955	705,393
Expenditure on:			
Charitable activities	717,920	1,777	719,697
Net expenditure and net movement in funds	(14,482)	178	(14,304)
Fund balances at 1 July 2021	1,476,529	-	1,476,529
Fund balances at 30 June 2022	1,462,047	178	1,462,225

8 Tangible fixed assets

	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 July 2022	1,635,372	127,631	56,810	76,757	1,896,570
Additions	77,092	10,911	-	73,073	161,076
Disposals	-	-	-	(31,100)	(31,100)
At 30 June 2023	1,712,464	138,540	56,810	118,730	2,026,546
Depreciation					
At 1 July 2022	573,858	123,540	55,489	75,299	828,186
Charge for the year	32,249	3,519	586	13,629	49,983
Disposals	-	-	-	(31,100)	(31,100)
At 30 June 2023	606,107	127,059	56,075	57,828	847,069
Net book value					
At 30 June 2023	1,106,357	11,483	735	60,902	1,179,477
At 30 June 2022	1,061,514	4,091	1,321	1,458	1,068,384

Freehold land with an estimated cost of £100,000 (2022: £100,000) is not depreciated.

9 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	10,350	8,342
Prepayments and accrued income	15,067	32,469
	25,417	40,811

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	15,544	22,627
Accruals	7,086	6,407
	22,630	29,034

11 Funds

Current year	Balance at 1 July 2022	Income	Expenditure	Transfers	Balance at 30 June 2023
	£	£	£	£	£
Unrestricted funds:					
General funds	465,778	840,982	(776,049)	29,221	559,932
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
- St Mary's Street	905,798	-	-	(26,798)	879,000
- IT / Cybertill	1,767	-	-	(754)	1,013
- Move-on accommodation	48,704	-	-	33,331	82,035
Total unrestricted funds	1,462,047	840,982	(776,049)	35,000	1,561,980
Restricted funds:					
Emmaus UK					
- Capital purchases	-	35,000	-	(35,000)	-
- Other restricted funds	178	-	-	-	178
Total restricted funds	178	35,000	-	(35,000)	178
Total funds	1,462,225	875,982	(776,049)	-	1,562,158

Restricted funds:

The charity has received restricted grant funding in the year from Emmaus Foundation of £35,000 for the purchase of a property (note 8).

Designated funds:

The opening designated fund of £40,000 had been designated to enable an orderly closure of the charity if operations ever needed to cease.

Designated capital funds reflect the net book value of assets acquired through restricted capital funding.

12 Funds - continued

Prior year	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2022 £
Unrestricted funds:					
General funds	447,947	703,438	(717,920)	32,313	465,778
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
-St Mary's Street	932,598	-	-	(26,800)	905,798
-Move-on accommodation	5,858	-	-	(4,091)	1,767
-IT / Cybertill	50,126	-	-	(1,422)	48,704
Total unrestricted funds	1,476,529	703,438	(717,920)	-	1,462,047
Restricted funds:					
Emmaus UK	-	-	-	-	-
- Capital purchases	-	1,955	(1,777)	-	178
- Other restricted funds					
Total restricted funds	-	1,955	(1,777)	-	178
Total funds	1,476,529	705,393	(719,697)	-	1,462,225

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Current year			
Tangible assets			
Designated capital funds:			
- Move-on accommodation	82,035	-	82,035
- IT / Cybertill	1,013	-	1,013
- St Mary's Street	879,000	-	879,000
General Funds	217,251	-	217,251
Training Courses	-	178	178
	1,179,299	178	1,179,477
Net current assets / (liabilities)	382,681	-	382,681
	1,561,980	178	1,562,158
Prior year			
Tangible assets			
Designated capital funds:			
- Move-on accommodation	48,704	-	48,704
- IT / Cybertill	1,767	-	1,767
- St Mary's Street	905,798	-	905,798
General Funds	112,115	-	112,115
Training Courses	-	178	178
	1,068,384	178	1,068,562
Net current assets / (liabilities)	393,663	-	393,663
	1,426,225	178	1,426,225

13 Operating lease commitments

At the reporting end date the Charity had £nil outstanding commitments for future minimum lease payments under non-cancellable operating leases.

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2023 £	2022 £
Total employee benefits	93,907	70,783

None of the Trustees received any remuneration or benefits during the year (2022: none).

There were no other related party transactions in this or the prior year.

15 Capital commitments

A decision taken by the Board pre year end to acquire a property and an offer was accepted in June 2023. The legal completion of the property took place post year end on 21 September 2023 when the property was acquired for a purchase price of £75,000.

Charity Registration No. 1077790

Company Registration No. 03785564 (England and Wales)

Emmaus Leeds

(A Company Limited By Guarantee)

Trustees' Annual Report and Financial Statements

For The Year Ended 30 June 2023

Brown Butler
Chartered Accountants
Leeds

Emmaus Leeds
(A Company Limited By Guarantee)

Legal and Administrative Information

Trustees	Glenn Miller (Chair to September 2022) (Retired 6 December 2023) Mark Lister (Chair from September 2022 and Treasurer) Simon Croft Andrew Smith Hugo Groves (Resigned 30 September 2023) Dr Nicholas Grudgings Anne Chambers Mary Ojidu John Doran Amanda Beresford Christina Tan (Appointed on 14 June 2023) Michael Devaney (Appointed on 20 July 2023) (Resigned 17 October 2023) Tracey Jukes (Appointed on 14 July 2023)
Senior Staff	Donald Forrester (Chief Executive Officer) (Retired 30 September 2023) Gina Morrison (General Manager)
Secretary	Amanda Beresford
Charity Number	1077790
Company Number	03785564
Registered Office	St Mary's Street Leeds LS9 7DP
Auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	HSBC Bank plc PO Box 105 33 Park Row Leeds LS1 1LD

Emmaus Leeds
(A Company Limited By Guarantee)

Contents

	Page
Trustees' report (including Directors' report)	1 – 5
Independent auditor's report	5 – 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 – 24

Emmaus Leeds
(A Company Limited By Guarantee)

Trustees' Report (including Directors' Report)
For the year ended 30 June 2023

The Trustees, who are also Directors for the purposes of Company Law, are pleased to present their annual report together with the financial statements of the charity for the year ended 30 June 2023 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)(Charities SORP FRS102 (revised 2019)).

The legal and administrative information constitutes part of this report.

Objectives and activities
Overall Purpose
The charity's overall purpose is to provide individuals, male and female, with a home, companionship and the opportunity to develop improved life and work skills within the security of a self-supporting community with the aim of moving on from homelessness. The Objects defined in our constitution are as follows : -

"The alleviation and relief of poverty, hardship and distress arising therefrom to those in need without distinction by:-

1. The provision of accommodation or assistance in such provision, for the poor and homeless in the Leeds area and such other places as may seem appropriate from time to time.
2. The provision of education, training and employment training for such persons with the purpose of developing skills to enable them to gain employment.
3. The support of the work of other Emmaus communities 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 communities worldwide.
4. 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."

When reviewing our aims and objectives and in planning our future activities, the Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. In particular, the Trustees consider how planned activities will contribute to the Aims and Objectives they have set.

The Trustees have paid due regard to guidance issued by the Charities Commission in deciding what activities and Charity should undertake.

Achievements and performance
October 2023 marks the 20th Anniversary of the Emmaus Leeds Community opening for business and I am pleased to report Emmaus Leeds is in good health both as a Community and an Enterprise.
The year to 30 June 2023 has seen a number of positive developments both in the trading operations and the running of the Community.

Throughout the past year Emmaus Leeds has helped 47 previously homeless people by providing them with support, accommodation and a purpose by inviting them to become Companions of the Emmaus Leeds community. We have had a significantly greater turnover of companions in part as a delayed consequence of the lockdown periods and, in part a reflection of the greater challenges facing Companions referred to us. Of the 14 individuals who left us during the year, 10 moved on to other accommodation and 4 into full-time employment. There have been 9 different training courses offered to Companions and a total of 43 attended those courses as of the time of writing.

Achievements and performance (continued)
Throughout the year covered by these accounts, occupancy has averaged 86% of our available rooms.

As of the time of writing that figure is 79%.

We have had 4 Companions who have held the position of Companion Assistant. They take responsibility for the security of the building each evening and at weekends. We also have a weekly meeting for Companions to exchange views, ideas and information.

As well as on our own account we have worked with other Emmaus Communities and with Emmaus UK. We have also set up a Solidarity Committee with representatives from the Companions, members of Staff and the Board of Trustees which has been able to help several local charities, including other homeless Charities.

Our two move on properties have been occupied throughout the year and proved their worth in assisting Companions move towards independence. The Trustees view the provision of move on assistance as a key strategy for Emmaus Leeds going forward and, subsequent to the year end, a further single occupancy property has been acquired.

The trading operations of the Community have been particularly strong during the year with income exceeding the £500,000 level for the first time and a significant trading surplus arising. Whilst this is, to some extent, a function of the current cost of living crisis it also reflects the efforts of both the staff and companions and the Trustees would like to take this opportunity to thank them.

Fundraising activities
We strive to achieve the highest fundraising standards and we value our supportive funders. We are staying up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) with the help of Emmaus UK to ensure we are legally compliant and adhering to all guidelines.

No complaints have been received during the year in connection with fundraising.

Financial Review
The Statement of Financial Activities shows Total Income for the year of £875,982 (2022 £705,393) and a Surplus of £99,933 (2022 Deficit £14,304). The most pleasing feature of these results is the level of Trading income which was 18% ahead of the prior year. As with most businesses costs have been increasing, particularly with regards to Utilities and Food but these have been well controlled resulting in the surplus recorded.

During the year the main store has performed strongly and been bolstered by Internet sales and House Clearance income. The decision was taken to close our second outlet in Leeds market during the year but this had no adverse impact on the overall trading levels.

The Net Assets stood in total at £1,562,158 on 30 June 2023 (202 £1,462,225). Emmaus Leeds is in a sound financial position and it owns its freehold property in St Mary's Street, and it has no significant borrowings.

Principal Funding Sources
The total income for the year was £875,982. Enterprise income formed the majority of this at £519,054 (59%) while £236,049 (27%) was Housing Benefit. The remainder of our income was made up of grants, donations and investment income.

Reserves Policy
Our reserves policy is reviewed each year. Our policy is to hold approximately £160,000 to cover business interruption or exceptional premises maintenance costs. This represents our best estimate of three months' current operating costs and likely maintenance expenditure. We feel it prudent to add £40,000 to that sum for exceptional winding-up costs, which is shown as a designated reserve.

The free cash reserves of the Charity at 30 June 2023 were £339,894 which exceed the reserves policy figures. The Trustees are currently reviewing this and possible investment including various capital projects and other items of revenue expenditure in line with the main objectives of the Charity.

Volunteers
Unfortunately our volunteer numbers have fallen since the last report due to death and illness. In particular, we would like to remember Peter Talbot who gave years of service as a volunteer in the Community but unfortunately passed away this year. We had a total of 6 individuals volunteer in the year to 30 June 2023. They gave a total of 2,548 hours of their time. The Trustees, as ever, are immensely grateful for their time, commitment and their overall contribution to the success of the Charity.

Risk management
The Trustees have carried out ongoing assessments of the Charity's activities, opportunities available to it and the risks to which it is exposed. These risks are identified in the risk register. The Trustees have considered their responsibilities under legislation including health and safety, employment law and safeguarding. Systems and procedures have been implemented to manage specific risks that have been identified, including training for all appropriate persons as necessary. The Trustees are specifically reviewing the likely impact of climate change on our future operations.

Plans for the future
The Trustees have an annual strategy day, alongside key employees. The topics of trading revenue and opportunities; Trustee, volunteer and staff welfare and recruitment and retention as appropriate; and local and central government policies are standing items; Trustees are also looking to build on the success of their "move-on house" project with a purchase perhaps of further properties if appropriate. Trustees are also looking at property maintenance issues and the vehicle fleet we run as well as its environmental impact.

In the longer term the Trustees will continue to look to address its key aim of utilizing the Emmaus model in providing a route out of homelessness in Leeds, whilst ensuring the strong community already built up is not at risk. This will involve the application of any future surplus funds to projects meeting these aims.

Structure, governance and management
Governing Document
The Charity is a company limited by guarantee, incorporated on 9 June 1999 and registered as a charity.

The Company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. The members of the company guarantee to contribute £1 each in the event of a winding up.

Constitution
Under the requirement of the Memorandum and Articles of Association the Trustees are elected to service for a period of three years after which they must be re-elected at the next Annual General Meeting.

Recruitment of Trustees
Three new Trustees have been recruited since the last report and have taken an active role in the governance of Emmaus Leeds. As reported in the last report Glenn Miller retired as Chairman in September 2022 but remained as a Trustee. He is retiring as a Trustee at the December Board meeting and the Board of Trustees would like to thank him for his massive contribution for over 15 years. The Board recruits new Trustees through a number of routes including personal relationship or recommendation, through the Government agency REACH and private agencies if required. All are required to be familiar with and committed to the work of Emmaus Leeds and receive an induction pack prepared and updated by Emmaus UK detailing both the global and local aspects of the Charity's work as well as clear guidance as to the responsibilities of a Trustee. This is largely based on the Charities Commission publication "The Essential Trustee". Thereafter, opportunities are offered for Trustees to engage in specific aspects of relevant training and visits to other communities to share experiences and ideas.

Organisational Structure
The Board of Trustees meets quarterly to review activity and is responsible for determining required governance and the setting of strategy. The Trustees also hold annual strategy discussions to set the future programme for Emmaus Leeds. The General Manager is charged with the implementation of policy as directed by the Board, through staff and volunteers. The Community Leader and support team are focused on Companion recruitment, wellbeing and onward progression. The General Manager is responsible for the building, the business and the staff, supported by a team of managers covering each of these areas. There are currently three sub-committees of the Board: Finance and Business; Human Resources; and Property.

Management Structure
In September 2023 the CEO, Donald Forrester, retired as CEO of Emmaus Leeds after 6 years in the role. The strong position we find ourselves in at the moment is primarily due to the stability created by Donald during his tenure.

Gina Morrison, the General Manager, has taken over the overall responsibility for the organisation and the management team was restructured to create a second tier of managers reporting to her. The community is managed by the Community Manager and the business side is managed by a Finance and Buildings Manager and a Retail and Operations Manager. There are currently 12 members of staff in total.

This transition was planned in advance and it is to both Gina and Donald's credit that it has proceeded smoothly.

The pay of the staff is reviewed annually and normally increased in line with inflation. Also it is reviewed with reference to management responsibilities. Remuneration is bench-marked with charities of similar size and activities, and the other Emmaus communities. This aims to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

External Relationships
Emmaus Leeds is one of 33 Emmaus Communities and Groups within the UK which form the UK Federation as part of the International Emmaus Movement. Emmaus UK provides valuable support in the form of national representation, it is a custodian of good practice, fundraising and guidance particularly for emerging groups. Locally Emmaus Leeds works with a range of referral agencies and charities which are also engaged in the provision of support for the homeless as well as the Furniture Reuse Group which works to enhance this aspect of environmental impact.

Statement of Trustees' Responsibilities
The Trustees, who are also directors of Emmaus Leeds for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

Auditor
In accordance with the company's articles, a resolution proposing Brown Butler be re-appointed as auditor of the company will be approved at the Annual General Meeting.

Disclosure of information to the auditor
The Board of Trustees who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out in the Charity Information section of this report in accordance with company law, as the Company's Directors, we certify that :

- So far as we are aware, there is no relevant information of which the company's auditors are unaware
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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.

Small Company Rules
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Trustees' Report was approved by the Board of Trustees.

Mr J Lister
Chair of Trustees
Dated: 6 December 2023

We have audited the financial statements of Emmaus Leeds (the 'Charity') for the year ended 30 June 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of its income 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 charitable company 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.

Conclusion 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 charitable company'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 Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Continued on next page

Continued from previous page

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the Statement of Trustees' Responsibilities, set out on page 5 within the Trustees' Report, the Trustees (who are also the directors of the charitable company 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
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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Continued on next page

Continued from previous page

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to deter material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included the Companies Act 2006, the Charities Act 2011, pension and tax legislation together with the Charities SORP FRS102 (Revised 2019). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Using our general commercial and sector experience and through discussions with the trustees and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.

- We examined the charitable company's regulatory and legal correspondence and discussed with the trustees and other management any known or suspected instances of fraud or non-compliance with laws and regulations.

- We communicated identified laws and regulations and potential fraud risks of all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements. We also discussed related party relationships and transactions involving them.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Brown Butler

Linda Cooper (Senior Statutory Auditor)
Brown Butler
Chartered Accountants
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT

15/12/ 2023

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Financial Activities including Income and Expenditure Account
For the year ended 30 June 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	**Total 2023** £	**Total 2022** £
Income from:					
Donations and legacies	2	33,714	-	33,714	23,784
Charitable activities:					
Grants, fees, contracts	3	286,436	35,000	321,436	239,315
Trading income	3	519,054	-	519,054	441,244
Investment income		1,358	-	1,358	212
Other income		420	-	420	838
Total income		840,982	35,000	875,982	705,393
Expenditure on:					
Charitable activities	4	776,049	-	776,049	719,697
Net income/(expenditure) before transfers		64,933	35,000	99,933	(14,304)
Gross transfers between funds		35,000	(35,000)	-	-
Net income/(expenditure) and net movement in funds		99,933	-	99,933	(14,304)
Fund balances at 1 July 2022		1,462,047	178	1,462,225	1,476,529
Fund balances at 30 June 2023		1,561,980	178	1,562,158	1,462,225

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 12 to 24 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)
Registered number 03785564
Balance Sheet
As at 30 June 2023

	Notes	2023 £		2022 £	
Fixed assets					
Tangible assets	8		1,179,477		1,068,384
Current assets					
Debtors	9	25,417		40,811	
Cash at bank and in hand		379,894		382,064	
		405,311		422,875	
Creditors: amounts falling due within one year	10	(22,630)		(29,034)	
Net current assets			382,681		393,841
Net Assets			1,562,158		1,462,225
Funds:	11				
Unrestricted funds:					
General		559,932		465,778	
Designated		40,000		40,000	
Designated capital		962,048		956,269	
			1,561,980		1,462,047
Restricted funds			178		178
			1,562,158		1,462,225

The financial statements, which have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, were approved by the board of Trustees and authorised for issue on 6 December 2023 and are signed on its behalf by:

.....
Mr JM Lister
Trustee

The notes on pages 12 to 24 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Cash Flows
For the year ended 30 June 2023

	2023 £		2022 £	
Cash generated from operations				
Surplus / (Deficit) for the year		99,933		(14,308)
Adjustments for:				
Investment income	(1,358)		(211)	
Depreciation	49,983		51,586	
Decrease / (Increase) in debtors	15,394		(3,425)	
(Decrease) / Increase in creditors	(6,404)		5,069	
		57,615		53,019
Cash flows from operating activities		157,548		38,711
Investing activities				
Purchase of tangible fixed assets	(161,076)		(3,377)	
Interest received	1,358		212	
Net cash used in investing activities		(159,718)		(3,165)
Net (decrease) / increase in cash and cash equivalents		(2,170)		35,546
Cash and cash equivalents at beginning of year		382,064		346,518
Cash and cash equivalents at end of year		379,894		382,064

The Charity had no debt during this or the prior year.

The notes on pages 12 to 24 form part of these financial statements.

1 Accounting policies

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

Charity information
Emmaus Leeds is a private company limited by guarantee incorporated in England and Wales. The registered office is St Mary's Street, Leeds, LS9 7DP.

1.1 Accounting convention

The financial statements have been prepared in accordance with 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)" (as amended for accounting periods commencing from 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 £1.

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

1.2 Going concern

The Trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the charity to continue in operational existence for at least the next 12 months from the date of approval of the financial statements, and have adequate contingency plans in the event that income streams are reduced. Consequently, the financial statements have therefore been prepared on the basis that the charity is a going concern.

1.3 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.

The Trustees are of the opinion that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

1 Accounting policies - continued

1.4 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors 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.

In accordance with the Charities SORP (FRS102 revised 2019) fixed assets acquired using restricted incoming resources are classified as unrestricted when this is consistent with their use. The designated capital funds reflect the book value of such assets, which will be reduced over the useful life of the assets in line with their depreciation.

1.5 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 is recognised at the time of the donation.

Income from goods donated for sale by the charity are recognised at point of sale. As a result of the high volume of donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

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.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is classified under the following activity headings:

- Charitable activity comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

- Support costs include those costs which cannot be directly attributed to a particular heading, and include the governance costs of the charity. These are allocated to the relevant activity based on usage and staff time associated with each activity.

1 Accounting policies - continued

1.7 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	33% straight line
Computers	33% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

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 net income/(expenditure) for the year.

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 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.

1.10 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.

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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

1 Accounting policies - continued

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

1.11 Taxation
Emmaus Leeds is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

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.

1.13 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	2023 £	2022 £
Donations and legacies	33,714	23,784

3 Charitable activities

	Grants, fees, contracts 2023 £	Trading income 2023 £	Total 2023 £	Grants, fees, contracts 2022 £	Trading income 2022 £	Total 2022 £
Housing benefit	236,049	-	236,049	236,347	-	236,347
Enterprise income	-	519,054	519,054	-	441,244	441,244
Grant income	85,387	-	85,387	2,968	-	2,968
	321,436	519,054	840,490	239,315	441,244	680,559

Of the total grant income of £85,387 (2022: £2,968), £35,000 (2022: £Nil) relates to restricted grant income.

4 Charitable activities

	Community costs 2023 £	Enterprise costs 2023 £	Total 2023 £	Community costs 2022 £	Enterprise costs 2022 £	Total 2022 £
Staff costs	156,286	140,196	296,482	140,562	107,243	247,805
Other employment costs	5,244	4,002	9,246	4,272	3,259	7,531
Recruitment	653	498	1,151	31	23	54
Small equipment and tools	-	11,113	11,113	-	4,261	4,261
Marketing and publicity	-	2,500	2,500	-	148	148
Community costs	136,165	-	136,165	124,374	-	124,374
Volunteer expenses	85	66	151	569	434	1,003
Vehicle costs	-	54,631	54,631	-	32,906	32,906
Enterprise costs	-	23,069	23,069	-	35,669	35,669
Office expenses	1,971	1,504	3,475	2,084	1,590	3,674
Premises costs	40,493	28,171	68,664	41,283	38,917	80,200
	340,897	265,750	606,647	313,175	224,450	537,625
Share of support costs (see note 5)	86,391	76,611	163,002	92,046	81,821	173,867
Share of governance costs (see note 5)	3,630	2,770	6,400	4,654	3,551	8,205
	430,918	345,131	776,049	409,875	309,822	719,697
Analysis of fund						
Unrestricted funds	430,918	345,131	776,049	408,098	309,822	717,920
Restricted funds	-	-	-	1,777	-	1,777
	430,918	345,131	776,049	409,875	309,882	719,697

5 Support costs

	Support costs £	Governance costs £	2023 £	2022 £
Staff costs	53,956	-	53,956	48,526
Depreciation	49,983	-	49,983	51,586
Other running costs	59,063	-	59,063	73,755
Legal and professional	-	6,400	6,400	8,205
	163,002	6,400	169,402	182,072

Governance costs includes audit fees of £3,200 (2022: £3,200) and fees for non-audit services of £3,200 (2022: £4,000).

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	14	13

Employment costs

	2023 £	2022 £
Wages and salaries	313,321	260,614
Social security costs	21,933	22,450
Other pension costs	15,184	13,267
	350,438	296,331

There were no employees whose annual remuneration was £60,000 or more (2022: no employees).

7 Comparatives for the Statement of Financial Activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income and endowments from:			
Donations and legacies	23,784	-	23,784
Charitable activities			
Grants, fees, contracts	237,360	1,955	239,315
Trading income	441,244	-	441,244
Investments	212	-	212
Other income	838	-	838
Total income	703,438	1,955	705,393
Expenditure on:			
Charitable activities	717,920	1,777	719,697
Net expenditure and net movement in funds	(14,482)	178	(14,304)
Fund balances at 1 July 2021	1,476,529	-	1,476,529
Fund balances at 30 June 2022	1,462,047	178	1,462,225

8 Tangible fixed assets

	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 July 2022	1,635,372	127,631	56,810	76,757	1,896,570
Additions	77,092	10,911	-	73,073	161,076
Disposals	-	-	-	(31,100)	(31,100)
At 30 June 2023	1,712,464	138,540	56,810	118,730	2,026,546
Depreciation					
At 1 July 2022	573,858	123,540	55,489	75,299	828,186
Charge for the year	32,249	3,519	586	13,629	49,983
Disposals	-	-	-	(31,100)	(31,100)
At 30 June 2023	606,107	127,059	56,075	57,828	847,069
Net book value					
At 30 June 2023	1,106,357	11,483	735	60,902	1,179,477
At 30 June 2022	1,061,514	4,091	1,321	1,458	1,068,384

Freehold land with an estimated cost of £100,000 (2022: £100,000) is not depreciated.

9 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	10,350	8,342
Prepayments and accrued income	15,067	32,469
	25,417	40,811

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	15,544	22,627
Accruals	7,086	6,407
	22,630	29,034

11 Funds

Current year	Balance at 1 July 2022	Income	Expenditure	Transfers	Balance at 30 June 2023
	£	£	£	£	£
Unrestricted funds:					
General funds	465,778	840,982	(776,049)	29,221	559,932
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
- St Mary's Street	905,798	-	-	(26,798)	879,000
- IT / Cybertill	1,767	-	-	(754)	1,013
- Move-on accommodation	48,704	-	-	33,331	82,035
Total unrestricted funds	1,462,047	840,982	(776,049)	35,000	1,561,980
Restricted funds:					
Emmaus UK					
- Capital purchases	-	35,000	-	(35,000)	-
- Other restricted funds	178	-	-	-	178
Total restricted funds	178	35,000	-	(35,000)	178
Total funds	1,462,225	875,982	(776,049)	-	1,562,158

Restricted funds:

The charity has received restricted grant funding in the year from Emmaus Foundation of £35,000 for the purchase of a property (note 8).

Designated funds:

The opening designated fund of £40,000 had been designated to enable an orderly closure of the charity if operations ever needed to cease.

Designated capital funds reflect the net book value of assets acquired through restricted capital funding.

12 Funds - continued

Prior year	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2022 £
Unrestricted funds:					
General funds	447,947	703,438	(717,920)	32,313	465,778
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
-St Mary's Street	932,598	-	-	(26,800)	905,798
-Move-on accommodation	5,858	-	-	(4,091)	1,767
-IT / Cybertill	50,126	-	-	(1,422)	48,704
Total unrestricted funds	1,476,529	703,438	(717,920)	-	1,462,047
Restricted funds:					
Emmaus UK	-	-	-	-	-
- Capital purchases	-	1,955	(1,777)	-	178
- Other restricted funds					
Total restricted funds	-	1,955	(1,777)	-	178
Total funds	1,476,529	705,393	(719,697)	-	1,462,225

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Current year			
Tangible assets			
Designated capital funds:			
- Move-on accommodation	82,035	-	82,035
- IT / Cybertill	1,013	-	1,013
- St Mary's Street	879,000	-	879,000
General Funds	217,251	-	217,251
Training Courses	-	178	178
	1,179,299	178	1,179,477
Net current assets / (liabilities)	382,681	-	382,681
	1,561,980	178	1,562,158
Prior year			
Tangible assets			
Designated capital funds:			
- Move-on accommodation	48,704	-	48,704
- IT / Cybertill	1,767	-	1,767
- St Mary's Street	905,798	-	905,798
General Funds	112,115	-	112,115
Training Courses	-	178	178
	1,068,384	178	1,068,562
Net current assets / (liabilities)	393,663	-	393,663
	1,426,225	178	1,426,225

13 Operating lease commitments

At the reporting end date the Charity had £nil outstanding commitments for future minimum lease payments under non-cancellable operating leases.

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2023 £	2022 £
Total employee benefits	93,907	70,783

None of the Trustees received any remuneration or benefits during the year (2022: none).

There were no other related party transactions in this or the prior year.

15 Capital commitments

A decision taken by the Board pre year end to acquire a property and an offer was accepted in June 2023. The legal completion of the property took place post year end on 21 September 2023 when the property was acquired for a purchase price of £75,000.

BrownButler
Chartered Accountants

Audit Highlights Report for the year ended 30 June 2023

Date of issue: 20 November 2023

emmaus Leeds
working together to end homelessness

CONTENTS AND INTRODUCTION

The contacts at Brown Butler in connection with this report are:

Linda Cooper
Audit Director
Tel: 0113 394 0743
lindacooper@brownbutler.com

Zoe Fildes
Audit Manager
Tel: 0113 394 0708
zoefildes@brownbutler.com

CONTENTS

1 AUDIT SCOPE AND OBJECTIVES

2 AUDIT OPINION

3 MANAGEMENT LETTER

4 SIGNIFICANT AUDIT RISKS AND OTHER PARTICULAR AREAS OF AUDIT FOCUS

APPENDICES

A1 MATERIAL MISSTATEMENTS

A2 UNCORRECTED MISSTATEMENTS

A3 AUDIT ADJUSTMENTS

A4 INDEPENDENCE

A5 MATERIALITY

A6 DRAFT REPRESENTATION LETTER

We present our report to the directors of Emmaus Leeds which details the key findings arising from the audit that we believe will be relevant as required by International Standard on Auditing (UK) 260. It forms a key part of our communication strategy with you, a strategy which is designed to promote effective two-way communication throughout the audit process. Its content has been discussed with management. The appendices also include other important information that we are required to communicate to those charged with governance.

As auditors we are responsible for performing our audit in accordance with International Standards on Auditing (UK) which are directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management nor those charged with governance of their responsibilities for the preparation of the financial statements.

As the purpose of the audit is for us to express an opinion on the financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

The matters raised in our report, prepared in connection with the audit, are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the Emmaus Leeds and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

1. AUDIT SCOPE AND OBJECTIVES

The scope of our work as agreed in our engagement letter dated 20 July 2021 is to carry out an audit in accordance with International Standards on Auditing (UK), and to provide assistance in preparing the financial statements in appropriate statutory format.

Emmaus Leeds is required to prepare financial statements for the year ended 30 June 2023. The charity prepares its financial statements in accordance with Charities SORP applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Our audit scope covers an audit in accordance with International Standards on Auditing (UK) of the statutory financial statements, to form an opinion on whether:

1. The financial statements give a true and fair view of the state of the charities affairs as at 30 June 2023 and surplus for the year then ended.
2. The financial statements have been properly prepared in accordance with Charities SORP and UK and Republic of Ireland (FRS 102).
3. The financial statements have been prepared in accordance with Companies Act 2006.
4. The information given in the Trustees' Report is consistent with the financial statements.
5. We are required to make a positive statement that there are no material uncertainties giving rise to the charity not being a going concern for a period of at least twelve months from the date of approval of the financial statements.
6. We give an assessment of the capability of the audit in detecting irregularities, including fraud.

The legislation under which we report also requires us to consider by exception whether:

1. Adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us.
2. The charity's financial statements are not in agreement with the accounting records and returns.
3. Certain disclosures of trustees' remuneration specified by law are not made.
4. We have not received all the information and explanations we require for an audit.

2. AUDIT OPINION

We have substantially completed our audit work in respect of the financial statements for the year ended 30 June 2023 and anticipate issuing an unqualified opinion on the financial statements.

Summary of outcomes

- We have completed our audit procedures in accordance with the planned scope and our objectives have been achieved.
- There were no significant changes to our planned audit approach nor were any restrictions placed on our work.
- No additional significant audit risks were identified during the course of our audit procedures subsequent to our audit planning report to you. We report our findings in the key areas we previously identified in section 4 of our report.

Outstanding matters

The following matters are outstanding at the date of this report.

1	Final assessment of subsequent events to date of approval of financial statements.
2	Final assessment of going concern to the date of approval of financial statements, reflecting any post year end developments.
3	Management representation letter, draft as attached in Appendix A6, to be approved and signed.
4	Formal approval and signature of the financial statements on behalf of the board, and our subsequent formal approval and signature of our audit report.

3. MANAGEMENT LETTER

We are required to report to you, in writing, significant deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you.

As the purpose of the audit is for us to express an opinion on the charities financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

We have noted the following minor deficiencies in internal controls, which addressing would strengthen the charities controls

1. Reconciliation of eBay Sales
   The audit identified a gap in the reconciling of eBay sales reports with corresponding bank receipts, which could result in a significant risk of misstatement. It is recommended a monthly, at minimum, reconciliation is performed between eBay sales reports, QuickBooks and bank receipts to resolve the risk of misstated financial statements.

Where we have identified minor accounting or calculation errors, we have discussed these with your finance team and have made reference to them in section 4, but do not consider there to be any matters of sufficient importance to specifically bring these to your attention.

4. SIGNIFICANT AUDIT RISKS AND OTHER PARTICULAR AREAS OF AUDIT FOCUS

The significant risks and other particular areas of audit focus identified at the planning stage of the audit, as communicated to you in our 'Audit Approach' letter of 27th September 2023, are set our below together with an overview of the work undertaken and audit outcome. No additional risks have been identified through our audit procedures.

RISK AND AREA OF WORK	WORK UNDERTAKEN AND CONCLUSIONS REACHED
Management override of controls	The ISAs presume that a risk of management override of controls is present in all entities. We respond to this risk by reviewing and testing the appropriateness of journal entries recorded in the nominal ledger and other adjustments made in the preparation of the financial statements, reviewing accounting estimates for possible bias and where necessary obtaining an understanding of the business rationale of significant transactions outside the normal course of the business. We identified no issues in the course of our work which suggest the inappropriate management override of controls.
Revenue recognition	The correct recognition of income in line with FR102 was considered in detail. Our testing of income included detailed transactional testing of a sample of sales, fees and donation with comparison of income and assessment of sales completeness. We also reviewed cut-off around the year end and the recoverability of trade debtors. Grant income had increased in the current year due to a grant received to purchase property. Fees income recognised in Quick-books was confirmed to grant funding agreements and to the claims made in the year, calculations of fees applied for has also been verified and audited.
Compliance with Laws & Regulations	We are satisfied that income has been properly recognised in the financial statements. The debtors ledger has also been reviewed. This was identified as an area of particular focus given that the charity operates in such a heavily regulated sector. We discussed compliance matters with management and documented how potential compliance exposure is controlled and mitigated within the organisation. We read minutes of board meetings in the year, and reviewed legal and professional expenditure to identify any potential compliance issues. We noted the agreement to purchase a further property in the minutes of the meeting held June 2023, due for completion in FY 23-24 as disclosed in the Financial Statements note 15. We identified no matters of concern in respect of compliance with Laws and Regulation in the course of our audit work.

4. SIGNIFICANT AUDIT RISKS AND OTHER PARTICULAR AREAS OF AUDIT FOCUS continued

RISK AND AREA OF WORK	WORK UNDERTAKEN AND CONCLUSION
Going concern	Under the revised ISA700 we now also need to make a positive statement within our audit report, rather than just confirming managements' assessment, that going concern is appropriate. As part of our work, we considered the financial position of the charity at the balance sheet date. We reviewed the budget for the forthcoming year, and will be producing management accounts for the first quarter of the year before the financial statements are signed. We are satisfied from our work that the financial statements have been properly prepared on a going concern basis, with appropriate disclosures made in the financial statements.
Charity overheads and controls	Our testing of overheads, invoices and payments, included detailed transactional testing, across various charity costs and overheads. Our testing included reviewing payment authorisation and documentation through to processing within the finance function. We are satisfied that the overheads and expenses have been recognised within the financial statements to give a true and fair view.
Fixed Assets	We performed a physical verification of assets from the fixed asset register (selected on a haphazard sample basis) during our site visit in September 2023. Reviewed the register for any potential disposals. Fixed asset register was cross cast and agreed to the management accounts, to make sure they agreed. We acquired all title deeds relating to properties held by the charity, and agreed to previously audited financial statements. We had also found some assets within the expenditure of the charity for which we have capitalised. See A3 for details.
Wages & Pensions	We selected three employees at random from payroll information to make sure appropriate documentation was being maintained on file. We have found appropriate documents on each employee on file and historic records as required. Payroll summaries were reconciled back to the financial statements. Payroll expense bank transfers made to the bureau were checked via the bank account to the payroll bureau summaries supplied by them. Checks on calculations for deductions made for taxation purpose and pension contributions, were carried out and found to be correct.

We found that the charity now has control checks, through monthly reconciliations with NEST and HMRC gov gateway to ensure liabilities due to be paid on behalf of the employer and employees and pension contributions have been made, and all on a timely basis.

Bank & Cash Account

We have checked reconciliations of all bank accounts to statements received from the appropriate financial institutions and confirmed reconciliations to the Quick-books software used when the reconciliation process took place - bank accounts have been reconciled on a frequent basis.

Unusual bank transactions checked to appropriate documentation.

Cash account review - we have noted that the cashing up sheets are correctly done on a weekly basis, however, we have found that cash is being banked at irregular periods which do not align with the cashing up sheets. We would recommend regular periodic banking of cash e.g every 2 weeks to mitigate any risk of fraud/error.

APPENDICES

A1. MATERIAL MISSTATEMENTS

We are required to bring to your attention details of all material misstatements, whether caused by fraud or error, and ensure these are corrected in the final financial statements.

We confirm that no material misstatements were identified during the course of our audit work.

A2. UNCORRECTED MISSTATEMENTS

We are required to bring to your attention details of all uncorrected errors, other than those considered as clearly trivial, and obtain your explanations for not adjusting for these items within the financial statements.

The following was identified, but has not been adjusted on the basis of materiality:

- We noted a difference of £1,099.80 between the E-Bay Sales Report total for the period and the E-Commerce nominal per 4096 – E-Commerce Income.

Misstatement	Account Name	Debit	Credit	P&L Effect
E-Commerce Income Error	Enterprise Income	1,099.80		-1,099.80
Brown Butler noted an error on the E-Commerce Testing (Test2) in which the eBay Sales Report differed from the E-Commerce amount per TB Nominal 4096. The difference is £1,099.80 which is below PM.	Trade debtors		1,099.80	-
Totals			**Totals**	-1,099.80

We confirm that the other uncorrected misstatements identified during the course of our audit work have been trivial in nature, and that we therefore consider there to be no further items to bring to your attention.

A3. ADJUSTED AUDIT ITEMS

As noted below, on the charities fixed asset register we noted expenditure which was required to be capitalised. This was discussed with management and an appropriate adjustment has been made in the value of £10,000. We also made journal adjustments to remove a vehicle which has been donated to Emmaus Bradford.

We also noted incorrect accounting treatment of Grant Income where an employee's salary was being netted off against Grant Income, which resulted in an audit adjustment of £20,955.22.

Nature of misstatement & circumstances of its occurrence	Account	Adjusted Debit	Adjusted Credit
Adjustment for Vehicle DL12 MXT Vehicle was donated to Emmaus Bradford on 02/03/2023.	Vehicle Cost Vehicle Depreciation	 15,750	15,750
Depreciation Journal - Motor Vehicles Motor Vehicles Depreciation	Vehicle Depreciation Depreciation	 13,629.44	13,629.44
Property Depreciation Property/Building Depreciation	Building Depreciation Depreciation	 32,249.27	32,249.27
Fixtures & Fittings Depreciation Adjustment Depreciation of FFE	FFE Depreciation Depreciation	 3,518.84	3,518.84
Computer Equipment Depreciation Computer Equipment Depreciation	Computer Depreciation Depreciation	585.56	 585.56
Bradford Lifts Fixed Asset Amendment QuickBooks Nominals Adjustments Dr FFE Costs Cr 6625 Premises: Building Maintenance: Lift Maintenance	FFE Cost Premises Costs	10,000	 10,000
Grant Income Journal Adjustment Unrestricted Grant Income Adjustment due to incorrect Accounting by netting of the Salary against the Grant Nominal.	Grant income Staff Costs	 20,955.22	20,955.22
Totals		**96,688.33**	**96,688.33**

A4. INDEPENDENCE

Under Auditing and Ethical Standards, we are required as auditors to confirm our independence to 'those charged with governance'. In our opinion, and as confirmed by you, we consider that for these purposes it is appropriate to designate the board of trustees as those charged with governance.

Our internal procedures are designed to ensure that all trustees and professional staff are aware of relationships that may be considered to bear on our objectivity and independence as auditors. The principal statements of policies are set out in our firm guidance. In addition, we have embedded the requirements of the Standards in our methodologies, tools and internal training programmes.

The procedures require that audit engagement directors are made aware of any matters which may reasonably be thought to bear on the firm's independence and the objectivity of the audit engagement director and the audit staff. This document considers such matters in the context of our audit for the year ended 30 June 2023.

We have assisted management in the preparation of the statutory financial statements, which have been prepared on the basis of the management accounts and information required to complete the notes to the accounts which were prepared by the Emmaus Leeds management team. We consider this non-audit service to be purely of a technical and mechanical nature, not involving the exercise of judgement, and with all relevant matters discussed and agreed by management.

We have been engaged previously to provide VAT advice to the charity, however we have assessed there is no potential threat to our independence arising from the level of fees charged for non-audit services.

We confirm that the firm complies with the Financial Reporting Council's Ethical Standards for Auditors and, in our professional judgement, is independent and objective within the meaning of those Standards.

In our professional judgement the policies and safeguards in place ensure that we are independent within the meanings of all regulatory and professional requirements and that the objectivity of the audit engagement director and audit staff is not impaired.

Should you have any comments or queries regarding this confirmation we would welcome their discussion in more detail.

A5. MATERIALITY

We set out below the levels of materiality that we have set for the purposes of our audit:

ENTITY	BASIS OF CALCULATION FOR FINANCIAL STATEMENT MATERIALITY	OVERALL MATERIALITY £'000	PERFORMANCE MATERIALITY £'000	CLEARLY TRIVIAL THRESHOLD £
Emmaus Leeds		17	12.75	850

The materiality levels were set at the planning stage and no change to materiality levels was considered to be necessary for the purposes of our audit.

CONCEPT AND DEFINITION

- The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to monetary misstatements but also to disclosure requirements and adherence to appropriate accounting principles and statutory requirements.

- International Standard on Auditing (UK) 320 'Audit Materiality' addresses the concept of materiality and explains it as 'misstatements, including omissions that could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its own omission or misstatement. Materiality provides a threshold or benchmark against which any errors or differences of opinion between management and ourselves can be evaluated.'

- It is important to understand that an item may be considered material for reasons other than size, if for example, it had an impact on:
  - Narrative disclosure e.g. accounting policies, going concern.
  - Compliance with loan covenants.
  - Instances when greater precision is required (e.g. trustee' emoluments).

- Materiality for Emmaus Leeds has been set on the basis of income, as this is considered the most appropriate indicator for a performance to meet the needs of the charity.

A5. MATERIALITY continued

CALCULATION AND DETERMINATION

- We have determined materiality based on professional judgement in the context of our knowledge of the charity, and reporting requirements for the financial statements.
- We determine materiality in order to:
  - Assist in establishing the scope of our audit engagement and audit tests.
  - Calculate sample sizes.
  - Assist in evaluating the effect of known and likely misstatements on the group financial statements.
- Performance materiality is calculated as a percentage of overall materiality and is used to calculate our sample sizes to enable any material misstatements to be more easily identified. The usual percentages applied are between 75% (low risk) to 50% (high risk).

  We have considered 75% of overall materiality to be an appropriate level of performance materiality on the basis of our initial risk assessment.

REASSESSMENT OF MATERIALITY

- We reconsider materiality, during the course of our audit engagement if we become aware of facts and circumstances that caused us to make a different determination of planning materiality.
- Further, when we have performed all our tests and are ready to evaluate the results of those tests (including any misstatements we detected) we will consider whether materially combined with the nature, timing and extent of our auditing procedures, provided a sufficient audit scope. If we conclude that our audit scope was sufficient, we will use materiality to evaluate whether uncorrected misstatements (individually or in aggregate) are material.

'CLEARLY TRIVIAL' AND UNADJUSTED ERRORS

- In accordance with auditing standards, we will communicate to board all uncorrected misstatements identified during our audit, other than those which we believe are 'clearly trivial'.
- Clearly trivial is defined as matters which will be of a wholly different (smaller) order by magnitude than the materiality thresholds used in the audit, and will be matters that are clearly inconsequential, whether taken individually or in aggregate. We have set this level at 5% of total materiality.
- There are a number of areas where we would strongly recommend/request any misstatements identified during the audit process being adjusted. These include:
  - Clear cut errors whose correction would cause non-compliance with loan covenants, management compensation agreements, other contractual obligations or governmental regulations that we consider are significant.
  - Other misstatements that we believe are material or clearly wrong.

A6. DRAFT REPRESENTATION LETTER

Dear Sirs

LETTER OF REPRESENTATION
FOR THE YEAR ENDED 30 JUNE 2023

This representation letter is provided in connection with your statutory audit of the financial statements of Emmaus Leeds for the year ended 30 June 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial position of the charity in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice- Charities SORP FRS102).

Financial Statements

1. We have fulfilled our responsibilities as directors under the Companies Act 2006 for preparing financial statements in accordance with the Companies Act 2006 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) and the Charities SORP-FRS102 (updated 2019) which give a true and fair view of the financial position of the charity as at 30 June 2023 and of the results of its operation for the year then ended and for making accurate representations to you.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. There are no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting standards.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.
7. We confirm the financial statements are free of material misstatements, including omissions.

   We believe that the uncorrected misstatements identified during the audit are immaterial both individually and in aggregate to the financial statements as a whole.
8. We confirm that, having considered our expectations and intentions for the next twelve months, and the availability of working capital, the charity is a going concern. We confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.

A6. DRAFT REPRESENTATION LETTER continued

Information Provided

9. All accounting records and relevant information have been made available to you for the purpose of your audit. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have deemed it necessary to request information. All other records and related information, including minutes of all management and shareholders meetings, have been made available to you.
10. All transactions undertaken by the charity have been properly reflected in the accounting records and are reflected in the financial statements.
11. We acknowledge responsibility for the design, implementation and maintenance of controls to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
12. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves management, employees who have a significant role in internal control, or others, where fraud could have a material effect on the financial statements.
13. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
14. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its business and which could affect the financial statements. The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
15. We confirm that we have disclosed to you the identity of the entity's related parties and all related party relationships and transactions relevant to the company that we are aware of.
16. The company has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
17. There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.
18. The charity has at no time during the year entered into any agreement, transaction or agreement to provide credit facilities (including loans, quasi loans or credit transactions) for trustees, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.
19. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. We have taken all the steps that we ought to have taken as trustees in order to make ourself aware of any relevant audit information and to establish that you are aware of that information.

A6. DRAFT REPRESENTATION LETTER continued

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourself that we can properly make each of the above representations to you.

Yours faithfully

……
Trustee

Date:……

Charity names:	Emmaus Leeds
Charity number	1077790
Registered offices	St Mary's Street
	Leeds
	LS9 7DP

The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the association and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

Brown Butler Limited is a corporate entity.

Copyright@2019 Brown Butler Limited. All rights reserved.

EMMAUS LEEDS

England & Wales - Charity number 1077790

Accounts

Charity Registration No. 1077790

Company Registration No. 03785564 (England and Wales)

Emmaus Leeds

(A Company Limited By Guarantee)

Trustees' Annual Report and Financial Statements

For The Year Ended 30 June 2021

Brown Butler
Chartered Accountants
Leeds

Emmaus Leeds
(A Company Limited By Guarantee)

Legal and Administrative Information

Trustees	Glenn Miller (Chair) David Almond (resigned 3 March 2021) Katie Normanton Amanda Beresford Simon Croft Liza Kellett (resigned 2 December 2020) John Lister (Treasurer) Andrew Smith Hugo Groves Nicholas Grudgings Anne Chambers (appointed 2 December 2020) Mary Ojidu (appointed 2 December 2020) John Doron (appointed 23 June 2021)
Senior Staff	Donald Forrester (Chief Executive Officer) Katrina Mattock (Community Leader/ Retired December 2020) Gina Morrison (General Manager with effect from 1 Jan 2021)
Secretary	Amanda Beresford
Charity Number	1077790
Company Number	03785564
Registered Office	St Mary's Street Leeds LS9 7DP
Auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	HSBC Bank plc PO Box 105 33 Park Row Leeds LS1 1LD
Investment Advisors	CCLA Investment Managers Limited 80 Cheapside London EC2V 6DZ

Emmaus Leeds
(A Company Limited By Guarantee)

Contents

	Page
Trustees' report	1 – 6
Statement of Trustees' responsibilities	7
Independent auditor's report	8
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 – 25

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 JUNE 2021

The Trustees, who are also Directors for the purposes of Company Law, are pleased to present their annual report together with the financial statements of the charity for the year ending 30 June 2021 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102).

The legal and administrative information constitutes part of this report.

Objectives and activities
Overall Purpose
The charity's overall purpose is to provide individuals, male and female, with a home, companionship and the opportunity to develop improved life and work skills within the security of a self-supporting community with the aim of moving on from homelessness. The Objects defined in our constitution are as follows : -

"The alleviation and relief of poverty, hardship and distress arising therefrom to those in need without distinction by:-

1. The provision of accommodation or assistance in such provision, for the poor and homeless in the Leeds area and such other places as may seem appropriate from time to time.
2. The provision of education, training and employment training for such persons with the purpose of developing skills to enable them to gain employment.
3. The support of the work of other Emmaus communities 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 communities worldwide.
4. 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."

When reviewing our aims and objectives and in planning our future activities, the Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. In particular, the Trustees consider how planned activities will contribute to the Aims and Objectives they have set.

The Trustees have paid due regard to guidance issued by the Charities Commission in deciding what activities and Charity should undertake.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Achievements and performance

Once again we have had to cope with the impact of the COVID pandemic and lockdowns. In the year to 30 June 2021 there were two periods of lockdown : the first covered the whole of November 2020 and the second for the period 1 January to 6 April 2021.

During these periods and for some time thereafter 13 members of staff were furloughed either on a full-time or a part-time basis. Trustees agreed that all furloughed members of staff would receive 100% of their salary, the balance after the furlough payment being made up by the Charity. This was in recognition of our staff's commitment to the Charity and, in particular, their willingness to be present on-site throughout the period of the pandemic, when required, to support the community. Staff were taken off furlough as and when required by the business, some on a graduated or part-time basis.

During the two periods of lockdown referred to Companions worked on the maintenance of our premises. Health and safety guidelines, particularly those related to COVID, were reviewed and implemented. Inevitably there were many quizzes and competitions held. All Companions who wished to be were fully vaccinated.

Our shop and market stall opened once more on 6 April 2021 and pre-lockdown trading levels have been quickly achieved.

Throughout the past year Emmaus Leeds has helped 34 previously homeless people by providing them with support, accommodation and a purpose by inviting them to become Companions of the Emmaus Leeds community. Of the 18 individuals who left us during the year, 5 moved on to other accommodation and 5 into full-time employment. Unfortunately, 2 Companions died during the period, although in neither case was this due to Covid 19. There have been 19 different training courses offered to Companions and a total of 48 attended those courses.

Throughout the year covered by these accounts, occupancy has averaged 85% of our available rooms. As of the time of writing that figure is 92%.

Through the year and including during lockdown periods regular monthly sessions were held with each Companion to monitor and guide their support programme in day to day living. Particular and more regular attention was paid to this during lockdowns since staff were concerned for both the physical and mental health of Companions.

We have had 7 Companions who have held the position of Companion Assistant. They take responsibility for the security of the building each evening and at weekends. We also have a weekly meeting (daily during lockdowns) for Companions to exchange views, ideas and information. Focus groups have been set up to ensure Companions are involved in the day-to-day decision making for the Community and the business.

The good work of all concerned with the business and community continues as demonstrated by our financial results despite lockdowns and the strong community sentiment we experience in St Mary's Street. As well as on our own account we have worked with other Emmaus Communities and with Emmaus UK. During the year the house purchased last year was renovated and two Companions now live in it, enjoying a degree of independence from the community.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Fundraising activities

We strive to achieve the highest fundraising standards and we value our supportive funders. We are staying up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) with the help of Emmaus UK to ensure we are legally compliant and adhering to all guidelines.

No complaints have been received during the year in connection with fundraising.

Financial Review

The Statement of Financial Activities shows Total Income for the year of £681,229 (2020 £690,705) and a surplus of £10,523 (2020 deficit £28,212). During the two lockdown periods, approximately £135,000 of trading income was lost, but offset thanks once more to the receipt of grants from Leeds City Council under the Business Support Grant Scheme and payment from Central Government under the Coronavirus Job Retention Scheme (CJRS).

The continuing development construction work along with bridge and road maintenance in the immediate vicinity of St Mary's Street has affected both pedestrian and car access but has not had too significant an impact on trading.

The Net Current Assets stand in total at £1,476,529 on 30 June 2021 (2020 £1,466,006). Emmaus Leeds is in a sound financial position since it owns its freehold property in St Mary's Street, and it has no significant borrowings.

Principal Funding Sources

The total income for the year was £681,229. Enterprise income formed the majority of this at £275,550 (40%) while £229,124 (34%) was Housing Benefit. The remainder of our income was made up of grants, donations and investment income, including £108,895 from Central and Local Government COVID 19 support funding.

Reserves Policy

Our reserves policy is reviewed each year. Our policy is to hold approximately £160,000 to cover business interruption or exceptional premises maintenance costs. This represents our best estimate of three months' current operating costs and likely maintenance expenditure. We feel it prudent to add £40,000 to that sum for exceptional winding-up costs, which is shown as a designated reserve. At present the balance of any cash held represents the need as we see it to cover deficit-funding for a period of up to 24 months in case of further lockdowns without the benefit of local or central government financial support.

The free cash reserves of the Charity as at 30 June 2021 were £306,517, which exceed the reserves policy figures. The Trustees are currently reviewing this and possible investment including various capital projects and other items of revenue expenditure in line with the main objectives of the Charity.

Volunteers

Our volunteers' efforts have been severely impacted by lockdowns. We had a total of 8 individuals volunteer in the year to 30 June 2021. They gave a total of 808 hours of their time. The Trustees, as ever, are immensely grateful for their time, commitment and their overall contribution to the success of the Charity.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Risk management

The Trustees have carried out ongoing assessments of the Charity's activities, opportunities available to it and the risks to which it is exposed. These risks are identified in the risk register. The Trustees have considered their responsibilities under legislation including health and safety, employment law and safeguarding. Systems and procedures have been implemented to manage specific risks that have been identified, including training for all appropriate persons as necessary. The Trustees are specifically reviewing the likely impact of climate change on our future operations. We still face a risk from COVID and the impact of lockdowns particularly if we were not to benefit from government support. The Trustees keep this under review constantly. A dedicated sub-committee of the Board has met to monitor the pandemic and its impact on the Leeds community.

Plans for the future

Now the pandemic's immediate impact along with lockdowns are behind us (hopefully) the Trustees have been looking to the future. As well as the perennial topic of trading revenue; Trustee, volunteer and staff recruitment and retention as appropriate; trading opportunities; and local and central government policies; Trustees are looking to build on the success of their "move-on house" project with a purchase perhaps of another property if appropriate. Trustees are also looking at property maintenance issues and the vehicle fleet we run.

In the longer term the Trustees will continue to look to address its key aim of utilizing the Emmaus model in providing a route out of homelessness in Leeds, whilst ensuring the strong community already built up is not at risk. This will involve the application of any future surplus funds to projects meeting these aims.

Structure, governance and management

Governing Document

The Charity is a company limited by guarantee, incorporated on 9 June 1999 and registered as a charity. The Company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. The members of the company guarantee to contribute £1 each in the event of a winding up.

Constitution

Under the requirement of the Memorandum and Articles of Association the Trustees are elected to service for a period of three years after which they must be re-elected at the next Annual General Meeting. Glenn Miller has indicated that it is his intention to step down as chair at some time during the next 12 to 24 months by arrangement with the Board.

Recruitment of Trustees

During the current year and up to the time of writing, two of our Trustees have retired. We thank them for all their hard work and commitment during many years of service. Three new Trustees have been appointed. The Board recruits new Trustees through a number of routes including personal relationship or recommendation, through the Government agency REACH and private agencies if required. All are required to be familiar with and committed to the work of Emmaus Leeds and receive an induction pack prepared and updated by Emmaus UK detailing both the global and local aspects of the Charity's work as well as clear guidance as to the responsibilities of a Trustee. This is largely based on the Charities Commission publication "The Essential Trustee". Thereafter, opportunities are offered for Trustees to engage in specific aspects of relevant training and visits to other communities to share experiences and ideas.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Organisational Structure

The Board of Trustees meets quarterly to review activity and is responsible for determining required governance and the setting of strategy. Our latest meetings have once again been in person, earlier in the year they were by video. The Trustees have also had the first of a number of planned strategy discussions to set the future programme for Emmaus Leeds. The Chief Executive Officer (CEO) is charged with the implementation of policy as directed by the Board, through staff and volunteers. The Community Leader and support team are focused on Companion recruitment, wellbeing and onward progression. The General Manager is responsible for the building, the business and the staff. There are four sub-committees of the Board: Finance and Business; Human Resources; Property; and COVID.

Management Structure

The Charity has a senior management team consisting of the CEO and the General Manager. The CEO now works part time. The community is managed by the Community Leader. There are thirteen members of staff in total, three of whom work part time.

The pay of the staff is reviewed annually and normally increased in line with inflation. Also it is reviewed with reference to management responsibilities. Remuneration is bench-marked with charities of similar size and activities, and the other Emmaus communities. This aims to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

External Relationships

Emmaus Leeds is one of thirty one Emmaus Communities and Groups within the UK which form the UK Federation as part of the International Emmaus Movement. Emmaus UK provides valuable support in the form of national representation, it is a custodian of good practice, fundraising and guidance particularly for emerging groups. Locally Emmaus Leeds works with a range of referral agencies and charities which are also engaged in the provision of support for the homeless as well as the Furniture Reuse Group who work to enhance this aspect of environmental impact.

Statement of Trustees' Responsibilities

The Trustees, who are also directors of Emmaus Leeds for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 JUNE 2021

Auditor
A resolution to tender for the appointment of external auditors was approved by the Board at the Board meeting held on 3 March 2021. Following the tender exercise, Brown Butler were formally appointed on 20 July 2021.

In accordance with the company's articles, a resolution proposing Brown Butler be re-appointed as auditor of the company will be approved at the Annual General Meeting.

Disclosure of information to the auditor
The Board of Trustees who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out in the Charity Information section of this report in accordance with company law, as the Company's Directors, we certify that :

- So far as we are aware, there is no relevant information of which the company's auditors are unaware
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Small Company Rules
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Trustees' Report was approved by the Board of Trustees.

Mr Glenn Miller
Chair of Trustees
Dated

The Trustees, who are also the directors of Emmaus Leeds 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.

We have audited the financial statements of Emmaus Leeds (the 'Charity') for the year ended 30 June 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of its income 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 charitable company 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.

Conclusion 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 group's or charitable parent company'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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Continued on next page

Continued from previous page

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charitable company 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
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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Continued on next page

Continued from previous page

Capability of the audit in detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to deter material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included the Companies Act 2006, the Charities Act 2011, pension and tax legislation together with the Charities SOPR FRS102 (October 2019). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Using our general commercial and sector experience and through discussions with the trustees and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.

- We examined the charitable company's regulatory and legal correspondence and discussed with the trustees and other management any known or suspected instances of fraud or non-compliance with laws and regulations.

- We communicated identified laws and regulations and potential fraud risks of all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements. We also discussed related party relationships and transactions involving them.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Linda Cooper (Senior Statutory Auditor)
Brown Butler
Chartered Accountants
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT

2021

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Financial Activities including Income and Expenditure Account
For the year ended 30 June 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	**Total 2021** £	**Total 2020** £
Income from:					
Donations and legacies	2	36,222	-	36,222	36,248
Charitable activities:					
Grants, fees, contracts	3	337,929	30,797	368,726	310,620
Trading income	3	275,550	-	275,550	340,503
Investment income		243	-	243	1,052
Other income		488	-	488	2,282
Total income		650,432	30,797	681,229	690,705
Expenditure on:					
Charitable activities	4	655,602	15,104	670,706	718,917
Net income/(expenditure) before transfers		(5,170)	15,693	10,523	(28,212)
Gross transfers between funds		61,913	(61,913)	-	-
Net income/(expenditure) and net movement in funds		56,743	(46,220)	10,523	(28,212)
Fund balances at 1 July 2020		1,419,786	46,220	1,466,006	1,494,218
Fund balances at 30 June 2021		1,476,529	-	1,476,529	1,466,006

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 14 to 25 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)

Balance Sheet
As at 30 June 2021

	Notes	2021 £		2020 (restated) £	
Fixed assets					
Tangible assets	8		1,116,593		1,158,533
Current assets					
Debtors	9	37,384		42,001	
Cash at bank and in hand		346,517		295,471	
		383,901		337,472	
Creditors: amounts falling due within one year	10	(23,965)		(29,999)	
Net current assets			359,936		307,473
Total assets less current liabilities			1,476,529		1,466,006
Funds:	11				
Unrestricted funds:					
General		447,947		420,388	
Designated		40,000		40,000	
Designated capital		988,582		959,398	
			1,476,529		1,419,786
Restricted funds			-		46,220
			1,476,529		1,466,006

The financial statements, which have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, were approved by the board of Trustees and authorise for issue on and are signed on its behalf by:

……
Mr G Miller
Trustee

Dated:

The notes on pages 14 to 25 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Cash Flows
For the year ended 30 June 2021

	2021 £		2020 £	
Cash generated from operations				
Surplus / (deficit) for the year		10,523		(28,212)
Adjustments for:				
Investment income	(243)		(1,052)	
Depreciation	63,477		60,708	
Decrease / (increase) in debtors	4,617		(1,319)	
(Decrease) / increase in creditors	(6,034)		(24,154)	
		61,817		34,183
Cash flows from operating activities		72,430		5,971
Investing activities				
Purchase of tangible fixed assets	(21,537)		(91,465)	
Interest received	243		1,052	
Net cash used in investing activities		(21,294)		(90,413)
Net decrease in cash and cash equivalents		51,046		(84,442)
Cash and cash equivalents at beginning of year		295,471		379,913
Cash and cash equivalents at end of year		346,517		295,471

The Charity had no debt during this or the prior year.

The notes on pages 14 to 25 form part of these financial statements.

1 Accounting policies

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

Charity information
Emmaus Leeds is a private company limited by guarantee incorporated in England and Wales. The registered office is St Mary's Street, Leeds, LS9 7DP.

1.1 Accounting convention

The financial statements have been prepared in accordance with 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)" (as amended for accounting periods commencing from 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 £1.

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

As detailed in note 11 the balance sheet as at 30 June 2020 has been restated to more correctly reflect the presentation of unrestricted reserves.

1.2 Going concern

The Trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the charity to continue in operational existence for at least the next 12 months from the date of approval of the financial statements, and have adequate contingency plans in the event that income streams are reduced. Consequently, the financial statements have therefore been prepared on the basis that the charity is a going concern.

1.3 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.

The Trustees are of the opinion that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

1 Accounting policies - continued

1.4 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors 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.

In accordance with the Charities SORP (FRS102 revised 2019) fixed assets acquired using restricted incoming resources are classified as unrestricted when this is consistent with their use. The designated capital funds reflect the book value of such assets, which will be reduced over the useful life of the assets in line with their depreciation.

1.5 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 is recognised at the time of the donation.

Income from goods donated for sale by the charity are recognised at point of sale. As a result of the high volume of donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

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.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is classified under the following activity headings:

- Charitable activity comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

- Support costs include those costs which cannot be directly attributed to a particular heading, and include the governance costs of the charity. These are allocated to the relevant activity based on usage and staff time associated with each activity.

1 Accounting policies - continued

1.7 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	33% straight line
Computers	33% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

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 net income/(expenditure) for the year.

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 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.

1.10 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.

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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

1 Accounting policies - continued

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

1.11 Taxation
Emmaus Leeds is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

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.

1.13 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	2021 £	2020 £
Donations and legacies	36,222	36,248

3 Charitable activities

	Grants, fees, contracts 2021 £	Trading income 2021 £	Total 2021 £	Grants, fees, contracts 2020 £	Trading income 2020 £	Total 2020 £
Housing benefit	229,124	-	229,124	206,069	-	206,069
Enterprise income	-	275,550	275,550	-	340,503	340,503
Grant income	30,797	-	30,707	46,725	-	46,725
Coronavirus Job Retention Scheme	50,354	-	50,354	17,826	-	17,826
Local authority Covid-19 support funding	58,451	-	58,541	40,000	-	40,000
	368,726	275,550	644,276	310,620	340,503	651,123

4 Charitable activities

	Community costs 2021 £	Enterprise costs 2021 £	Total 2021 £	Community costs 2020 £	Enterprise costs 2020 £	Total 2020 £
Staff costs	140,444	107,574	248,018	142,501	108,723	251,224
Other employment costs	1,939	1,485	3,424	5,525	4,215	9,740
Recruitment	491	376	867	328	250	578
Costs of goods sold	-	-	-	-	11,431	11,431
Small equipment and tools	-	5,792	5,792	4,491	-	4,491
Marketing and publicity	-	5,206	5,206	-	7,927	7,927
Community costs	110,661	-	110,661	116,452	-	116,452
Staff expenses	27	21	48	39	30	69
Volunteer expenses	259	198	457	376	289	665
Vehicle costs	-	24,354	24,354	-	26,793	26,793
Enterprise costs	-	31,224	31,224	-	37,645	37,645
Office expenses	2,292	1,755	4,047	2,381	1,816	4,197
Premises costs	29,771	28,036	57,807	24,893	23,464	48,357
	285,884	206,021	491,905	296,986	222,583	519,569
Share of support costs (see note 6)	94,878	77,975	172,853	100,904	90,103	191,007
Share of governance costs (see note 6)	3,368	2,580	5,948	4,731	3,610	8,341
	384,130	286,576	670,706	402,621	316,296	718,917
Analysis of fund						
Unrestricted funds	369,026	286,576	655,602	395,273	316,296	711,569
Restricted funds	15,104	-	15,104	7,348	-	7,348
	384,130	286,576	670,706	402,621	316,296	718,917

5 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Staff costs	50,799	-	50,799	49,196
Depreciation	63,477	-	63,477	60,708
Other running costs	58,577	-	58,577	81,103
Legal and professional	-	5,948	5,948	8,341
	172,853	5,948	178,801	199,348

Governance costs includes audit fees of £3,200 (2020: £3,500) and fees for non-audit services of £2,375 (2020: £3,800).

6 Employees

Nature of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	13	13

Employment costs

	2021 £	2020 £
Wages and salaries	268,790	270,801
Social security costs	17,312	17,255
Other pension costs	12,715	12,364
	298,817	300,420

There were no employees whose annual remuneration was £60,000 or more (2020: no employees).

7 Comparatives for the Statement of Financial Activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income and endowments from:			
Donations and legacies	36,248	-	36,248
Charitable activities			
Grants, fees, contracts	263,895	46,725	310,620
Trading income	340,503	-	340,503
Investments	1,052	-	1,052
Other income	2,282	-	2,282
Total income	643,980	46,725	690,705
Expenditure on:			
Charitable activities	711,569	7,348	718,917
Net expenditure and net movement in funds	918,603	(946,815)	(28,212)
Fund balances at 1 July 2019	501,183	993,035	1,494,218
Fund balances at 30 June 2020	1,419,786	46,220	1,466,006

8 Tangible fixed assets

	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 July 2020	1,619,197	120,649	55,053	92,757	1,887,656
Additions	16,175	5,362	-	-	21,537
Disposals	-	-	-	(16,000)	(16,000)
At 30 June 2021	1,635,372	126,011	55,053	76,757	1,893,194
Depreciation					
At 1 July 2020	512,474	90,827	50,625	75,197	729,123
Charge for the year	30,677	18,971	2,415	11,414	63,477
Disposals	-	-	-	(16,000)	(16,000)
At 30 June 2021	543,151	109,798	53,040	70,611	776,597
Net book value					
At 30 June 2021	1,092,221	16,213	2,013	6,146	1,116,593
At 30 June 2020	1,106,723	29,822	4,428	17,560	1,158,533

Freehold land with an estimated cost of £100,000 (2020: £100,000) is not depreciated.

9 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	262	11,077
Other debtors	11,859	6,719
Prepayments and accrued income	25,263	24,205
	37,384	42,001

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	18,300	21,647
Accruals	5,665	8,352
	23,965	29,999

11 Funds

Current year	Balance at 1 July 2020 (restated)	Income	Expenditure	Transfers	Balance at 30 June 2021
	£	£	£	£	£
Unrestricted funds:					
General funds	420,388	650,432	(655,602)	32,729	447,947
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
- St Mary's Street	959,398	-	-	(26,800)	932,598
- Move-on accommodation	-	-	-	50,126	50,126
- IT / Cybertill	-	-	-	5,858	5,858
Total unrestricted funds	1,419,786	650,432	(655,602)	61,913	1,476,529
Restricted funds:					
Emmaus UK					
- Capital purchases	46,220	23,611	(7,918)	(61,913)	-
- Other restricted funds	-	7,186	(7,186)	-	-
Total restricted funds	46,220	30,797	(15,104)	(61,913)	-
Total funds	1,466,006	681,229	(670,706)	-	1,476,529

Restricted funds:

The charity has received restricted grant funding in the year from Emmaus UK to support the acquisition of fixed assets; £12,884 being funding for the refurbishment of the move-on accommodation and £10,727 for the purchase and installation of a till system (£9,800 of this funded through the Rayne Foundation).

Emmaus UK also provide other restricted funding to support IT expenditure and for companions through the Capacity Development Fund.

Designated funds:

The fund of £40,000 has been designated to enable an orderly closure of the charity if operations ever needed to cease.

Designated capital funds reflect the net book value of assets acquired through restricted capital funding.

A restatement of the general reserve balance as at 1 July 2020 has been made to more accurately reflect the designated capital fund for St Mary's Street rather than this being in general funds following the movement last year.

Transfers:

Transfers of £61,913 have been made from restricted funds in respect of assets acquired with these funds. £5,929 has been transferred from designated capital funds to general funds in line with the depreciation of the relevant assets.

11 Funds - continued

Prior year	Balance at 1 July 2019 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2020 £
Unrestricted funds:					
General funds	461,183	643,980	(711,569)	986,192	1,379,786*
Designated fund	40,000	-	-	-	40,000
Total unrestricted funds	501,183	634,980	(711,569)	986,192	1,419,786
Restricted funds:					
Emmaus UK					
- Capital purchases	6,843	42,500	(3,123)	-	46,220
- Other restricted funds	-	4,225	(4,225)	-	-
Original property funding:					
ERDF	248,523	-	-	(248,523)	-
SRF	425,267	-	-	(425,267)	-
Tudor Trust	102,134	-	-	(102,134)	-
Yorkshire Forward	210,268	-	-	(210,268)	-
Total restricted funds	993,035	46,725	(7,348)	(986,192)	46,220
Total funds	1,494,218	690,705	(718,917)	-	1,466,006

The ERDF, SRB, Yorkshire Forward and Tudor Trust funds were all used for the purpose of acquiring land and buildings from which the charity operates. These funds were transferred into unrestricted funds during the prior year, as they had all been fully expended on capital assets in accordance with the wishes of the funder.

The closing general fund balance above has been restated in the opening position of 2021 to reflect the designated capital fund for St Mary's Street *.

12 Analysis of net assets between funds

Current year	Unrestricted funds £	Restricted funds £	Total £
Tangible assets			
Designated capital funds:			
- Move-on accommodation	51,465	-	51,465
- IT / Cybertill	5,858	-	5,858
General funds	1,059,270	-	1,059,270
	1,116,593	-	1,116,593
Net current assets / (liabilities)	359,936	-	359,936
	1,476,529	-	1,476,529
Prior year			
Tangible assets	1,112,313	46,220	1,158,533
	1,112,313	46,220	1,158,533
Net current assets / (liabilities)	307,473	-	307,473
	1,419,786	46,220	1,466,006

13 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings		Other	
	2021 £	2020 £	2021 £	2020 £
Within one year	-	4,863	-	1,616
	-	4,863	-	1,616

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2021 £	2020 £
Total employee benefits	88,364	104,353

None of the Trustees received any remuneration or benefits during the year (2020: none).

There were no other related party transactions in this or the prior year.

Charity Registration No. 1077790

Company Registration No. 03785564 (England and Wales)

Emmaus Leeds

(A Company Limited By Guarantee)

Trustees' Annual Report and Financial Statements

For The Year Ended 30 June 2021

Brown Butler
Chartered Accountants
Leeds

Emmaus Leeds
(A Company Limited By Guarantee)

Legal and Administrative Information

Trustees	Glenn Miller (Chair) David Almond (resigned 3 March 2021) Katie Normanton Amanda Beresford Simon Croft Liza Kellett (resigned 2 December 2020) John Lister (Treasurer) Andrew Smith Hugo Groves Nicholas Grudgings Anne Chambers (appointed 2 December 2020) Mary Ojidu (appointed 2 December 2020) John Doron (appointed 23 June 2021)
Senior Staff	Donald Forrester (Chief Executive Officer) Katrina Mattock (Community Leader/ Retired December 2020) Gina Morrison (General Manager with effect from 1 Jan 2021)
Secretary	Amanda Beresford
Charity Number	1077790
Company Number	03785564
Registered Office	St Mary's Street Leeds LS9 7DP
Auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	HSBC Bank plc PO Box 105 33 Park Row Leeds LS1 1LD
Investment Advisors	CCLA Investment Managers Limited 80 Cheapside London EC2V 6DZ

Emmaus Leeds
(A Company Limited By Guarantee)

Contents

	Page
Trustees' report	1 – 6
Statement of Trustees' responsibilities	7
Independent auditor's report	8
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 – 25

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

The Trustees, who are also Directors for the purposes of Company Law, are pleased to present their annual report together with the financial statements of the charity for the year ending 30 June 2021 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102).

The legal and administrative information constitutes part of this report.

Objectives and activities

Overall Purpose

The charity's overall purpose is to provide individuals, male and female, with a home, companionship and the opportunity to develop improved life and work skills within the security of a self-supporting community with the aim of moving on from homelessness. The Objects defined in our constitution are as follows : -

"The alleviation and relief of poverty, hardship and distress arising therefrom to those in need without distinction by:-

1. The provision of accommodation or assistance in such provision, for the poor and homeless in the Leeds area and such other places as may seem appropriate from time to time.
2. The provision of education, training and employment training for such persons with the purpose of developing skills to enable them to gain employment.
3. The support of the work of other Emmaus communities 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 communities worldwide.
4. 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."

When reviewing our aims and objectives and in planning our future activities, the Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. In particular, the Trustees consider how planned activities will contribute to the Aims and Objectives they have set.

The Trustees have paid due regard to guidance issued by the Charities Commission in deciding what activities and Charity should undertake.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Achievements and performance

Once again we have had to cope with the impact of the COVID pandemic and lockdowns. In the year to 30 June 2021 there were two periods of lockdown : the first covered the whole of November 2020 and the second for the period 1 January to 6 April 2021.

During these periods and for some time thereafter 13 members of staff were furloughed either on a full-time or a part-time basis. Trustees agreed that all furloughed members of staff would receive 100% of their salary, the balance after the furlough payment being made up by the Charity. This was in recognition of our staff's commitment to the Charity and, in particular, their willingness to be present on-site throughout the period of the pandemic, when required, to support the community. Staff were taken off furlough as and when required by the business, some on a graduated or part-time basis.

During the two periods of lockdown referred to Companions worked on the maintenance of our premises. Health and safety guidelines, particularly those related to COVID, were reviewed and implemented. Inevitably there were many quizzes and competitions held. All Companions who wished to be were fully vaccinated.

Our shop and market stall opened once more on 6 April 2021 and pre-lockdown trading levels have been quickly achieved.

Throughout the past year Emmaus Leeds has helped 34 previously homeless people by providing them with support, accommodation and a purpose by inviting them to become Companions of the Emmaus Leeds community. Of the 18 individuals who left us during the year, 5 moved on to other accommodation and 5 into full-time employment. Unfortunately, 2 Companions died during the period, although in neither case was this due to Covid 19. There have been 19 different training courses offered to Companions and a total of 48 attended those courses.

Throughout the year covered by these accounts, occupancy has averaged 85% of our available rooms. As of the time of writing that figure is 92%.

Through the year and including during lockdown periods regular monthly sessions were held with each Companion to monitor and guide their support programme in day to day living. Particular and more regular attention was paid to this during lockdowns since staff were concerned for both the physical and mental health of Companions.

We have had 7 Companions who have held the position of Companion Assistant. They take responsibility for the security of the building each evening and at weekends. We also have a weekly meeting (daily during lockdowns) for Companions to exchange views, ideas and information. Focus groups have been set up to ensure Companions are involved in the day-to-day decision making for the Community and the business.

The good work of all concerned with the business and community continues as demonstrated by our financial results despite lockdowns and the strong community sentiment we experience in St Mary's Street. As well as on our own account we have worked with other Emmaus Communities and with Emmaus UK. During the year the house purchased last year was renovated and two Companions now live in it, enjoying a degree of independence from the community.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Fundraising activities

We strive to achieve the highest fundraising standards and we value our supportive funders. We are staying up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) with the help of Emmaus UK to ensure we are legally compliant and adhering to all guidelines.

No complaints have been received during the year in connection with fundraising.

Financial Review

The Statement of Financial Activities shows Total Income for the year of £681,229 (2020 £690,705) and a surplus of £10,523 (2020 deficit £28,212). During the two lockdown periods, approximately £135,000 of trading income was lost, but offset thanks once more to the receipt of grants from Leeds City Council under the Business Support Grant Scheme and payment from Central Government under the Coronavirus Job Retention Scheme (CJRS).

The continuing development construction work along with bridge and road maintenance in the immediate vicinity of St Mary's Street has affected both pedestrian and car access but has not had too significant an impact on trading.

The Net Current Assets stand in total at £1,476,529 on 30 June 2021 (2020 £1,466,006). Emmaus Leeds is in a sound financial position since it owns its freehold property in St Mary's Street, and it has no significant borrowings.

Principal Funding Sources

The total income for the year was £681,229. Enterprise income formed the majority of this at £275,550 (40%) while £229,124 (34%) was Housing Benefit. The remainder of our income was made up of grants, donations and investment income, including £108,895 from Central and Local Government COVID 19 support funding.

Reserves Policy

Our reserves policy is reviewed each year. Our policy is to hold approximately £160,000 to cover business interruption or exceptional premises maintenance costs. This represents our best estimate of three months' current operating costs and likely maintenance expenditure. We feel it prudent to add £40,000 to that sum for exceptional winding-up costs, which is shown as a designated reserve. At present the balance of any cash held represents the need as we see it to cover deficit-funding for a period of up to 24 months in case of further lockdowns without the benefit of local or central government financial support.

The free cash reserves of the Charity as at 30 June 2021 were £306,517, which exceed the reserves policy figures. The Trustees are currently reviewing this and possible investment including various capital projects and other items of revenue expenditure in line with the main objectives of the Charity.

Volunteers

Our volunteers' efforts have been severely impacted by lockdowns. We had a total of 8 individuals volunteer in the year to 30 June 2021. They gave a total of 808 hours of their time. The Trustees, as ever, are immensely grateful for their time, commitment and their overall contribution to the success of the Charity.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Risk management

The Trustees have carried out ongoing assessments of the Charity's activities, opportunities available to it and the risks to which it is exposed. These risks are identified in the risk register. The Trustees have considered their responsibilities under legislation including health and safety, employment law and safeguarding. Systems and procedures have been implemented to manage specific risks that have been identified, including training for all appropriate persons as necessary. The Trustees are specifically reviewing the likely impact of climate change on our future operations. We still face a risk from COVID and the impact of lockdowns particularly if we were not to benefit from government support. The Trustees keep this under review constantly. A dedicated sub-committee of the Board has met to monitor the pandemic and its impact on the Leeds community.

Plans for the future

Now the pandemic's immediate impact along with lockdowns are behind us (hopefully) the Trustees have been looking to the future. As well as the perennial topic of trading revenue; Trustee, volunteer and staff recruitment and retention as appropriate; trading opportunities; and local and central government policies; Trustees are looking to build on the success of their "move-on house" project with a purchase perhaps of another property if appropriate. Trustees are also looking at property maintenance issues and the vehicle fleet we run.

In the longer term the Trustees will continue to look to address its key aim of utilizing the Emmaus model in providing a route out of homelessness in Leeds, whilst ensuring the strong community already built up is not at risk. This will involve the application of any future surplus funds to projects meeting these aims.

Structure, governance and management

Governing Document

The Charity is a company limited by guarantee, incorporated on 9 June 1999 and registered as a charity. The Company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. The members of the company guarantee to contribute £1 each in the event of a winding up.

Constitution

Under the requirement of the Memorandum and Articles of Association the Trustees are elected to service for a period of three years after which they must be re-elected at the next Annual General Meeting. Glenn Miller has indicated that it is his intention to step down as chair at some time during the next 12 to 24 months by arrangement with the Board.

Recruitment of Trustees

During the current year and up to the time of writing, two of our Trustees have retired. We thank them for all their hard work and commitment during many years of service. Three new Trustees have been appointed. The Board recruits new Trustees through a number of routes including personal relationship or recommendation, through the Government agency REACH and private agencies if required. All are required to be familiar with and committed to the work of Emmaus Leeds and receive an induction pack prepared and updated by Emmaus UK detailing both the global and local aspects of the Charity's work as well as clear guidance as to the responsibilities of a Trustee. This is largely based on the Charities Commission publication "The Essential Trustee". Thereafter, opportunities are offered for Trustees to engage in specific aspects of relevant training and visits to other communities to share experiences and ideas.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Organisational Structure

The Board of Trustees meets quarterly to review activity and is responsible for determining required governance and the setting of strategy. Our latest meetings have once again been in person, earlier in the year they were by video. The Trustees have also had the first of a number of planned strategy discussions to set the future programme for Emmaus Leeds. The Chief Executive Officer (CEO) is charged with the implementation of policy as directed by the Board, through staff and volunteers. The Community Leader and support team are focused on Companion recruitment, wellbeing and onward progression. The General Manager is responsible for the building, the business and the staff. There are four sub-committees of the Board: Finance and Business; Human Resources; Property; and COVID.

Management Structure

The Charity has a senior management team consisting of the CEO and the General Manager. The CEO now works part time. The community is managed by the Community Leader. There are thirteen members of staff in total, three of whom work part time.

The pay of the staff is reviewed annually and normally increased in line with inflation. Also it is reviewed with reference to management responsibilities. Remuneration is bench-marked with charities of similar size and activities, and the other Emmaus communities. This aims to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

External Relationships

Emmaus Leeds is one of thirty one Emmaus Communities and Groups within the UK which form the UK Federation as part of the International Emmaus Movement. Emmaus UK provides valuable support in the form of national representation, it is a custodian of good practice, fundraising and guidance particularly for emerging groups. Locally Emmaus Leeds works with a range of referral agencies and charities which are also engaged in the provision of support for the homeless as well as the Furniture Reuse Group who work to enhance this aspect of environmental impact.

Statement of Trustees' Responsibilities

The Trustees, who are also directors of Emmaus Leeds for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2021

Auditor

A resolution to tender for the appointment of external auditors was approved by the Board at the Board meeting held on 3 March 2021. Following the tender exercise, Brown Butler were formally appointed on 20 July 2021.

In accordance with the company's articles, a resolution proposing Brown Butler be re-appointed as auditor of the company will be approved at the Annual General Meeting.

Disclosure of information to the auditor

The Board of Trustees who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out in the Charity Information section of this report in accordance with company law, as the Company's Directors, we certify that :

- So far as we are aware, there is no relevant information of which the company's auditors are unaware
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Small Company Rules

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Trustees' Report was approved by the Board of Trustees.

Mr Glenn Miller
Chair of Trustees
Dated 23 DEC 2021

The Trustees, who are also the directors of Emmaus Leeds 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.

We have audited the financial statements of Emmaus Leeds (the 'Charity') for the year ended 30 June 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of its income 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 charitable company 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.

Conclusion 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 charitable company'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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Continued on next page

Continued from previous page

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charitable company 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
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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Continued on next page

Continued from previous page

Capability of the audit in detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to deter material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included the Companies Act 2006, the Charities Act 2011, pension and tax legislation together with the Charities SOPR FRS102 (October 2019). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Using our general commercial and sector experience and through discussions with the trustees and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.

- We examined the charitable company's regulatory and legal correspondence and discussed with the trustees and other management any known or suspected instances of fraud or non-compliance with laws and regulations.

- We communicated identified laws and regulations and potential fraud risks of all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements. We also discussed related party relationships and transactions involving them.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Brown Butler

Linda Cooper (Senior Statutory Auditor)
Brown Butler
Chartered Accountants
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT

23 December 2021

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Financial Activities including Income and Expenditure Account
For the year ended 30 June 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	**Total 2021** £	**Total 2020** £
Income from:					
Donations and legacies	2	36,222	-	36,222	36,248
Charitable activities:					
Grants, fees, contracts	3	337,929	30,797	368,726	310,620
Trading income	3	275,550	-	275,550	340,503
Investment income		243	-	243	1,052
Other income		488	-	488	2,282
Total income		650,432	30,797	681,229	690,705
Expenditure on:					
Charitable activities	4	655,602	15,104	670,706	718,917
Net income/(expenditure) before transfers		(5,170)	15,693	10,523	(28,212)
Gross transfers between funds		61,913	(61,913)	-	-
Net income/(expenditure) and net movement in funds		56,743	(46,220)	10,523	(28,212)
Fund balances at 1 July 2020		1,419,786	46,220	1,466,006	1,494,218
Fund balances at 30 June 2021		1,476,529	-	1,476,529	1,466,006

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 14 to 25 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)

Balance Sheet
As at 30 June 2021

	Notes	2021 £		2020 (restated) £	
Fixed assets					
Tangible assets	8		1,116,593		1,158,533
Current assets					
Debtors	9	37,384		42,001	
Cash at bank and in hand		346,517		295,471	
		383,901		337,472	
Creditors: amounts falling due within one year	10	(23,965)		(29,999)	
Net current assets			359,936		307,473
Total assets less current liabilities			1,476,529		1,466,006
Funds:	11				
Unrestricted funds:					
General		447,947		420,388	
Designated		40,000		40,000	
Designated capital		988,582		959,398	
			1,476,529		1,419,786
Restricted funds			-		46,220
			1,476,529		1,466,006

The financial statements, which have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, were approved by the board of Trustees and authorise for issue on 1 December 2021 and are signed on its behalf by:

.....
Mr G Miller
Trustee

Dated: 23 DEC 2021

The notes on pages 14 to 25 form part of these financial statements.

Emmaus Leeds
(A Company Limited By Guarantee)

Statement of Cash Flows
For the year ended 30 June 2021

	2021 £		2020 £	
Cash generated from operations				
Surplus / (deficit) for the year		10,523		(28,212)
Adjustments for:				
Investment income	(243)		(1,052)	
Depreciation	63,477		60,708	
Decrease / (increase) in debtors	4,617		(1,319)	
(Decrease) / increase in creditors	(6,034)		(24,154)	
		61,817		34,183
Cash flows from operating activities		72,430		5,971
Investing activities				
Purchase of tangible fixed assets	(21,537)		(91,465)	
Interest received	243		1,052	
Net cash used in investing activities		(21,294)		(90,413)
Net decrease in cash and cash equivalents		51,046		(84,442)
Cash and cash equivalents at beginning of year		295,471		379,913
Cash and cash equivalents at end of year		346,517		295,471

The Charity had no debt during this or the prior year.

The notes on pages 14 to 25 form part of these financial statements.

1 Accounting policies

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

Charity information
Emmaus Leeds is a private company limited by guarantee incorporated in England and Wales. The registered office is St Mary's Street, Leeds, LS9 7DP.

1.1 Accounting convention

The financial statements have been prepared in accordance with 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)" (as amended for accounting periods commencing from 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 £1.

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

As detailed in note 11 the balance sheet as at 30 June 2020 has been restated to more correctly reflect the presentation of unrestricted reserves.

1.2 Going concern

The Trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the charity to continue in operational existence for at least the next 12 months from the date of approval of the financial statements, and have adequate contingency plans in the event that income streams are reduced. Consequently, the financial statements have therefore been prepared on the basis that the charity is a going concern.

1.3 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.

The Trustees are of the opinion that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

1 Accounting policies - continued

1.4 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors 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.

In accordance with the Charities SORP (FRS102 revised 2019) fixed assets acquired using restricted incoming resources are classified as unrestricted when this is consistent with their use. The designated capital funds reflect the book value of such assets, which will be reduced over the useful life of the assets in line with their depreciation.

1.5 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 is recognised at the time of the donation.

Income from goods donated for sale by the charity are recognised at point of sale. As a result of the high volume of donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

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.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is classified under the following activity headings:

- Charitable activity comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

- Support costs include those costs which cannot be directly attributed to a particular heading, and include the governance costs of the charity. These are allocated to the relevant activity based on usage and staff time associated with each activity.

1 Accounting policies - continued

1.7 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	33% straight line
Computers	33% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

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 net income/(expenditure) for the year.

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 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.

1.10 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.

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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

1 Accounting policies - continued

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

1.11 Taxation
Emmaus Leeds is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

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.

1.13 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	2021 £	2020 £
Donations and legacies	36,222	36,248

3 Charitable activities

	Grants, fees, contracts 2021 £	Trading income 2021 £	Total 2021 £	Grants, fees, contracts 2020 £	Trading income 2020 £	Total 2020 £
Housing benefit	229,124	-	229,124	206,069	-	206,069
Enterprise income	-	275,550	275,550	-	340,503	340,503
Grant income	30,797	-	30,707	46,725	-	46,725
Coronavirus Job Retention Scheme	50,354	-	50,354	17,826	-	17,826
Local authority Covid-19 support funding	58,451	-	58,541	40,000	-	40,000
	368,726	275,550	644,276	310,620	340,503	651,123

4 Charitable activities

	Community costs 2021 £	Enterprise costs 2021 £	Total 2021 £	Community costs 2020 £	Enterprise costs 2020 £	Total 2020 £
Staff costs	140,444	107,574	248,018	142,501	108,723	251,224
Other employment costs	1,939	1,485	3,424	5,525	4,215	9,740
Recruitment	491	376	867	328	250	578
Costs of goods sold	-	-	-	-	11,431	11,431
Small equipment and tools	-	5,792	5,792	4,491	-	4,491
Marketing and publicity	-	5,206	5,206	-	7,927	7,927
Community costs	110,661	-	110,661	116,452	-	116,452
Staff expenses	27	21	48	39	30	69
Volunteer expenses	259	198	457	376	289	665
Vehicle costs	-	24,354	24,354	-	26,793	26,793
Enterprise costs	-	31,224	31,224	-	37,645	37,645
Office expenses	2,292	1,755	4,047	2,381	1,816	4,197
Premises costs	29,771	28,036	57,807	24,893	23,464	48,357
	285,884	206,021	491,905	296,986	222,583	519,569
Share of support costs (see note 6)	94,878	77,975	172,853	100,904	90,103	191,007
Share of governance costs (see note 6)	3,368	2,580	5,948	4,731	3,610	8,341
	384,130	286,576	670,706	402,621	316,296	718,917
Analysis of fund						
Unrestricted funds	369,026	286,576	655,602	395,273	316,296	711,569
Restricted funds	15,104	-	15,104	7,348	-	7,348
	384,130	286,576	670,706	402,621	316,296	718,917

5 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Staff costs	50,799	-	50,799	49,196
Depreciation	63,477	-	63,477	60,708
Other running costs	58,577	-	58,577	81,103
Legal and professional	-	5,948	5,948	8,341
	172,853	5,948	178,801	199,348

Governance costs includes audit fees of £3,200 (2020: £3,500) and fees for non-audit services of £2,375 (2020: £3,800).

6 Employees

Nature of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	13	13

Employment costs

	2021 £	2020 £
Wages and salaries	268,790	270,801
Social security costs	17,312	17,255
Other pension costs	12,715	12,364
	298,817	300,420

There were no employees whose annual remuneration was £60,000 or more (2020: no employees).

7 Comparatives for the Statement of Financial Activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income and endowments from:			
Donations and legacies	36,248	-	36,248
Charitable activities			
Grants, fees, contracts	263,895	46,725	310,620
Trading income	340,503	-	340,503
Investments	1,052	-	1,052
Other income	2,282	-	2,282
Total income	643,980	46,725	690,705
Expenditure on:			
Charitable activities	711,569	7,348	718,917
Net expenditure and net movement in funds	918,603	(946,815)	(28,212)
Fund balances at 1 July 2019	501,183	993,035	1,494,218
Fund balances at 30 June 2020	1,419,786	46,220	1,466,006

8 Tangible fixed assets

	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 July 2020	1,619,197	120,649	55,053	92,757	1,887,656
Additions	16,175	5,362	-	-	21,537
Disposals	-	-	-	(16,000)	(16,000)
At 30 June 2021	1,635,372	126,011	55,053	76,757	1,893,194
Depreciation					
At 1 July 2020	512,474	90,827	50,625	75,197	729,123
Charge for the year	30,677	18,971	2,415	11,414	63,477
Disposals	-	-	-	(16,000)	(16,000)
At 30 June 2021	543,151	109,798	53,040	70,611	776,597
Net book value					
At 30 June 2021	1,092,221	16,213	2,013	6,146	1,116,593
At 30 June 2020	1,106,723	29,822	4,428	17,560	1,158,533

Freehold land with an estimated cost of £100,000 (2020: £100,000) is not depreciated.

9 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	262	11,077
Other debtors	11,859	6,719
Prepayments and accrued income	25,263	24,205
	37,384	42,001

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	18,300	21,647
Accruals	5,665	8,352
	23,965	29,999

11 Funds

Current year	Balance at 1 July 2020 (restated) £	Income £	Expenditure £	Transfers £	Balance at 30 June 2021 £
Unrestricted funds:					
General funds	420,388	650,432	(655,602)	32,729	447,947
Designated fund	40,000	-	-	-	40,000
Designated capital funds:					
- St Mary's Street	959,398	-	-	(26,800)	932,598
- Move-on accommodation	-	-	-	50,126	50,126
- IT / Cybertill	-	-	-	5,858	5,858
Total unrestricted funds	1,419,786	650,432	(655,602)	61,913	1,476,529
Restricted funds:					
Emmaus UK					
- Capital purchases	46,220	23,611	(7,918)	(61,913)	-
- Other restricted funds	-	7,186	(7,186)	-	-
Total restricted funds	46,220	30,797	(15,104)	(61,913)	-
Total funds	1,466,006	681,229	(670,706)	-	1,476,529

Restricted funds:

The charity has received restricted grant funding in the year from Emmaus UK to support the acquisition of fixed assets; £12,884 being funding for the refurbishment of the move-on accommodation and £10,727 for the purchase and installation of a till system (£9,800 of this funded through the Rayne Foundation).

Emmaus UK also provide other restricted funding to support IT expenditure and for companions through the Capacity Development Fund.

Designated funds:

The fund of £40,000 has been designated to enable an orderly closure of the charity if operations ever needed to cease.

Designated capital funds reflect the net book value of assets acquired through restricted capital funding.

A restatement of the general reserve balance as at 1 July 2020 has been made to more accurately reflect the designated capital fund for St Mary's Street rather than this being in general funds following the movement last year.

Transfers:

Transfers of £61,913 have been made from restricted funds in respect of assets acquired with these funds. £5,929 has been transferred from designated capital funds to general funds in line with the depreciation of the relevant assets.

11 Funds - continued

Prior year	Balance at 1 July 2019 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2020 £
Unrestricted funds:					
General funds	461,183	643,980	(711,569)	986,192	1,379,786*
Designated fund	40,000	-	-	-	40,000
Total unrestricted funds	501,183	634,980	(711,569)	986,192	1,419,786
Restricted funds:					
Emmaus UK					
- Capital purchases	6,843	42,500	(3,123)	-	46,220
- Other restricted funds	-	4,225	(4,225)	-	-
Original property funding:					
ERDF	248,523	-	-	(248,523)	-
SRF	425,267	-	-	(425,267)	-
Tudor Trust	102,134	-	-	(102,134)	-
Yorkshire Forward	210,268	-	-	(210,268)	-
Total restricted funds	993,035	46,725	(7,348)	(986,192)	46,220
Total funds	1,494,218	690,705	(718,917)	-	1,466,006

The ERDF, SRB, Yorkshire Forward and Tudor Trust funds were all used for the purpose of acquiring land and buildings from which the charity operates. These funds were transferred into unrestricted funds during the prior year, as they had all been fully expended on capital assets in accordance with the wishes of the funder.

The closing general fund balance above has been restated in the opening position of 2021 to reflect the designated capital fund for St Mary's Street *.

12 Analysis of net assets between funds

Current year	Unrestricted funds £	Restricted funds £	Total £
Tangible assets			
Designated capital funds:			
- Move-on accommodation	51,465	-	51,465
- IT / Cybertill	5,858	-	5,858
General funds	1,059,270	-	1,059,270
	1,116,593	-	1,116,593
Net current assets / (liabilities)	359,936	-	359,936
	1,476,529	-	1,476,529
Prior year			
Tangible assets	1,112,313	46,220	1,158,533
	1,112,313	46,220	1,158,533
Net current assets / (liabilities)	307,473	-	307,473
	1,419,786	46,220	1,466,006

13 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings		Other	
	2021 £	2020 £	2021 £	2020 £
Within one year	-	4,863	-	1,616
	-	4,863	-	1,616

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2021 £	2020 £
Total employee benefits	88,364	104,353

None of the Trustees received any remuneration or benefits during the year (2020: none).

There were no other related party transactions in this or the prior year.

BrownButler
Chartered Accountants

Audit Highlights Report for the year ended 30 June 2021

Date of issue: 08 November 2021

emmaus Leeds
working together to end homelessness

CONTENTS AND INTRODUCTION

The contacts at Brown Butler in connection with this report are:

Linda Cooper
Audit Director
Tel: 0113 394 0743
lindacooper@brownbutler.com

CONTENTS

1 AUDIT SCOPE AND OBJECTIVES

2 AUDIT OPINION

3 MANAGEMENT LETTER

4 SIGNIFICANT AUDIT RISKS AND OTHER PARTICULAR AREAS OF AUDIT FOCUS

APPENDICES

A1 MATERIAL MISSTATEMENTS

A2 UNCORRECTED MISSTATEMENTS

A3 AUDIT ADJUSTMENTS

A4 INDEPENDENCE

A5 MATERIALITY

A6 DRAFT REPRESENTATION LETTER

We present our report to the directors of Emmaus Leeds which details the key findings arising from the audit that we believe will be relevant as required by International Standard on Auditing (UK) 260. It forms a key part of our communication strategy with you, a strategy which is designed to promote effective two-way communication throughout the audit process. Its content has been discussed with management. The appendices also include other important information that we are required to communicate to those charged with governance.

As auditors we are responsible for performing our audit in accordance with International Standards on Auditing (UK) which are directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management nor those charged with governance of their responsibilities for the preparation of the financial statements.

As the purpose of the audit is for us to express an opinion on the financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

The matters raised in our report, prepared in connection with the audit, are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the Emmaus Leeds and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

1. AUDIT SCOPE AND OBJECTIVES

The scope of our work as agreed in our engagement letter dated 20 July 2021 is to carry out an audit in accordance with International Standards on Auditing (UK), and to provide assistance in preparing the financial statements in appropriate statutory format.

Emmaus Leeds is required to prepare financial statements for the year ended 30 June 2021. The charity prepares its financial statements in accordance with Charities SORP applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Our audit scope covers an audit in accordance with International Standards on Auditing (UK) of the statutory financial statements, to form an opinion on whether:

1. The financial statements give a true and fair view of the state of the charities affairs as at 30 June 2021 and surplus for the year then ended.
2. The financial statements have been properly prepared in accordance with Charities SORP and UK and Republic of Ireland (FRS 102).
3. The financial statements have been prepared in accordance with Companies Act 2006.
4. The information given in the Trustees' Report is consistent with the financial statements.
5. We are required to make a positive statement that there are no material uncertainties giving rise to the charity not being a going concern for a period of at least twelve months from the date of approval of the financial statements.
6. We give an assessment of the capability of the audit in detecting irregularities, including fraud.

The legislation under which we report also requires us to consider by exception whether:

1. Adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us.
2. The charity's financial statements are not in agreement with the accounting records and returns.
3. Certain disclosures of trustees' remuneration specified by law are not made.
4. We have not received all the information and explanations we require for an audit.

2. AUDIT OPINION

We have substantially completed our audit work in respect of the financial statements for the year ended 30 June 2021 and anticipate issuing an unqualified opinion on the financial statements.

Summary of outcomes

- We have completed our audit procedures in accordance with the planned scope and our objectives have been achieved.
- There were no significant changes to our planned audit approach nor were any restrictions placed on our work.
- No additional significant audit risks were identified during the course of our audit procedures subsequent to our audit planning report to you. We report our findings in the key areas we previously identified in section 4 of our report.

Outstanding matters

The following matters are outstanding at the date of this report.

1	Review of the Trustees' Report and subsequent events review, including review of post year end management accounts information post quarter 1.
2	Final assessment of going concern to the date of approval of financial statements, reflecting any post year end developments.
3	Management representation letter, draft as attached in Appendix A6, to be approved and signed.
4	Formal approval and signature of the financial statements on behalf of the board, and our subsequent formal approval and signature of our audit report.

3. MANAGEMENT LETTER

We are required to report to you, in writing, significant deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you.

As the purpose of the audit is for us to express an opinion on the charities financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

We are pleased to report that we have not identified any significant deficiencies in internal control during our audit work.

Where we have identified minor accounting or calculation errors, we have discussed these with your finance team and have made reference to them in section 4, but do not consider there to be any matters of sufficient importance to specifically bring these to your attention.

4. SIGNIFICANT AUDIT RISKS AND OTHER PARTICULAR AREAS OF AUDIT FOCUS

The significant risks and other particular areas of audit focus identified at the planning stage of the audit, as communicated to you in our 'Audit Approach' letter of 18 August 2021, are set our below together with an overview of the work undertaken and audit outcome. No additional risks have been identified through our audit procedures.

RISK AND AREA OF WORK	WORK UNDERTAKEN AND CONCLUSIONS REACHED
Management override of controls	The ISAs presume that a risk of management override of controls is present in all entities. We respond to this risk by reviewing and testing the appropriateness of journal entries recorded in the nominal ledger and other adjustments made in the preparation of the financial statements, reviewing accounting estimates for possible bias and where necessary obtaining an understanding of the business rationale of significant transactions outside the normal course of the business. We identified no issues in the course of our work which suggest the inappropriate management override of controls.
Revenue recognition	The correct recognition of income in line with FR102 was considered in detail. Our testing of income included detailed transactional testing of a sample of sales, grants and donation with comparison of income and assessment of sales completeness. We also reviewed cut-off around the year end and the recoverability of trade debtors. Grant income recognised in Quick-books was confirmed to funding agreements and to the claims made in the year, calculations of grants applied for has also been verified and audited. We are satisfied that income has been properly recognised in the financial statements. The debtors ledger has also been reviewed and tidied up in Quick-books to give a more accurate listing for future reference.
Compliance with Laws & Regulations	This was identified as an area of particular focus given that the charity operates in such a heavily regulated sector. We discussed compliance matters with management and documented how potential compliance exposure is controlled and mitigated within the organisation. We read minutes of board meetings in the year, and reviewed legal and professional expenditure to identify any potential compliance issues. We identified no matters of concern in respect of compliance with Laws and Regulation in the course of our audit work.

4. SIGNIFICANT AUDIT RISKS AND OTHER PARTICULAR AREAS OF AUDIT FOCUS continued

RISK AND AREA OF WORK	WORK UNDERTAKEN AND CONCLUSION
Going concern / COVID-19	We are required to ensure that the charity has properly considered its exposure and financial position in the post COVID-19 environment, and that the financial statements include appropriate disclosure of any material risks and uncertainties connected with going concern. Under the revised ISA700 we now also need to make a positive statement within our audit report, rather than just confirming managements' assessment, that going concern is appropriate. As part of our work, we considered the financial position of the charity at the balance sheet date. We reviewed the budget for the forthcoming year, and produced management accounts for the first quarter of the financial year. We are satisfied from our work that the financial statements have been properly prepared on a going concern basis, with appropriate disclosures made in the financial statements. TRUSTEES' REPORT OUTSTANDING
Charity overheads and controls	Our testing of overheads, invoices and payments, included detailed transactional testing, across various charity costs and overheads. Our testing included reviewing payment authorisation and documentation through to processing within the finance function. We are satisfied that the overheads and expenses have been recognised within the financial statements to give a true and fair view, however we found control procedures around documentation of the process was not always complete. This is not stating that the authorisation process has not taken place but that the process has not been documented. This was for some direct debit and direct bank payments. For some items the direct debit mandate could not be located and for others authorisation for the direct payment was not noted on the invoice. We understand this arose as a result of the covid pandemic and only limited personnel being on site. Consistent authorisation signature and financial statements posting reference should be completed on all invoices. This has been acknowledged by management and they will ensure this is the case going forward. We also note the cut off in relation to credit card use within the charity had not been correctly implemented. Due to the immaterial value this has been noted as a non-adjusting journal this year and we recommend this process be corrected next year - see appendix A2.

Fixed Assets

We performed a physical verification of assets from the fixed asset register (selected on a haphazard sample basis) during October 2021.

Reviewed the register for any potential disposals.

Fixed asset register was cross cast and agreed to the management accounts, to make sure they agreed.

We acquired all title deeds relating to properties held by the charity, and agreed to previously audited financial statements.

During our work we did note a vehicle on the register that was no longer owned by the charity and this had been the position for some time- this had a nil carrying value, however we considered it appropriate to adjust the cost and depreciation within the financial statements to reflect the previous disposal.

Wages & Pensions

We selected two employees at random from payroll information to make sure appropriate documentation was being maintained on file. We have found appropriate documents on each employee on file and historic records as required.

Payroll summaries were reconciled back to the financial statements.

Payroll expense bank transfers made to the bureau were checked via the bank account to the payroll bureau summaries supplied by them.

Checks on calculations for deductions made for taxation purpose and pension contributions, were carried out and found to be correct.

However, we have found that once the charity payment transfers are made to the payroll bureau the charity has no control checks to make sure liabilities due to be paid on behalf of the employer and employees and pension contributions have been made.
A concern would be whether all liabilities are paid in a timely manner to the pension scheme and HMRC, and no liability is being unknowingly built up by the charity.
A government gateway tax link for the charity should be implemented so the charity can run their own regular checks and perhaps a review of the contract terms with the payroll bureau should be completed to identify any risk the charity may have for none payment.

Bank & Cash Account

We have checked reconciliations of all bank accounts to statements received from the appropriate financial institutions and confirmed reconciliations to the Quick-books software used when the reconciliation process took place - bank accounts have been reconciled on a frequent basis.

Unusual bank transactions and grant income have been checked to appropriate documentation and claim calculations.

Cash account review - we have noted that the cashing up sheets are correctly done on a weekly basis, with cash to bank recorded at the bottom of the calculations. However, we have found this is not the actual cash being banked by the charity as amounts are put in the safe and banked at a later date. We recommend, particularly at year end, that a cash reconciliation takes place too reconcile the cash in the safe to the amount of cash stated in the financial statements as such a physical check was not performed at this year-end. This count should be completed with two members of the team present and signed as evidence of the physical count.

Cash onsite during the financial year has also been close to the insurance cover the charity has of £6,000.00.

APPENDICES

A1. MATERIAL MISSTATEMENTS

We are required to bring to your attention details of all material misstatements, whether caused by fraud or error, and ensure these are corrected in the final financial statements.

We confirm that no material misstatements were identified during the course of our audit work.

A2. UNCORRECTED MISSTATEMENTS

We are required to bring to your attention details of all uncorrected errors, other than those considered as clearly trivial, and obtain your explanations for not adjusting for these items within the financial statements.

The following was identified, but has not been adjusted on the basis of materiality:

Credit card transactions- in last couple of weeks of June 2021- costs of £2,593.32.
This should technically be recognised as a cost to the charity, but as adjustments were not carried out in the last audited financial period- and are low in value, this cost has not been recognised for consistency within the financial statements. We believe this was an unadjusted error noted in the prior year too.

We recommend this is adjusted next year to ensure cut off is correct and will work with management to make the necessary change when the final quarter management accounts are prepared.

We confirm that the other uncorrected misstatements identified during the course of our audit work have been trivial in nature, and that we therefore consider there to be no further items to bring to your attention.

A3. ADJUSTED AUDIT ITEMS

Brought forward debtors of the charity have been discussed and adjusted within the financial statements totalling £6,852.00. £2,118.00 of this balance has been adjusted against, other running costs due to work carried out on the charities telephone and broadband line services and equipment which was agreed to be offset against the outstanding debtor balance due.

As noted above, on the charities fixed asset register we noted an old delivery van that the charity does not own any more. This was discussed with management and appeared to have been transferred across to another Emmaus centre with no income from the transfer. The vehicle had no carrying value, but to correct the assets held by the charity this was amended on the fixed asset register and in the notes to the financial statements but has no income statement or balance sheet effect.

A4. INDEPENDENCE

Under Auditing and Ethical Standards, we are required as auditors to confirm our independence to 'those charged with governance'. In our opinion, and as confirmed by you, we consider that for these purposes it is appropriate to designate the board of trustees as those charged with governance.

Our internal procedures are designed to ensure that all trustees and professional staff are aware of relationships that may be considered to bear on our objectivity and independence as auditors. The principal statements of policies are set out in our firm guidance. In addition, we have embedded the requirements of the Standards in our methodologies, tools and internal training programmes.

The procedures require that audit engagement directors are made aware of any matters which may reasonably be thought to bear on the firm's independence and the objectivity of the audit engagement director and the audit staff. This document considers such matters in the context of our audit for the year ended 30 June 2021.

We have assisted management in the preparation of the statutory financial statements, which have been prepared on the basis of the management accounts and information required to complete the notes to the accounts which were prepared by the Emmaus Leeds management team. We consider this non-audit service to be purely of a technical and mechanical nature, not involving the exercise of judgement, and with all relevant matters discussed and agreed by management.

We have been engaged to provide VAT advice to the charity, however we have assessed there is no potential threat to our independence arising from the level of fees charged for non-audit services.

We confirm that the firm complies with the Financial Reporting Council's Ethical Standards for Auditors and, in our professional judgement, is independent and objective within the meaning of those Standards.

In our professional judgement the policies and safeguards in place ensure that we are independent within the meanings of all regulatory and professional requirements and that the objectivity of the audit engagement director and audit staff is not impaired.

Should you have any comments or queries regarding this confirmation we would welcome their discussion in more detail.

A5. MATERIALITY

We set out below the levels of materiality that we have set for the purposes of our audit:

ENTITY	BASIS OF CALCULATION FOR FINANCIAL STATEMENT MATERIALITY	OVERALL MATERIALITY £'000	PERFORMANCE MATERIALITY £'000	CLEARLY TRIVIAL THRESHOLD £
Emmaus Leeds		12	10	£650

The materiality levels were set at the planning stage and no change to materiality levels was considered to be necessary for the purposes of our audit.

CONCEPT AND DEFINITION

- The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to monetary misstatements but also to disclosure requirements and adherence to appropriate accounting principles and statutory requirements.

- International Standard on Auditing (UK) 320 'Audit Materiality' addresses the concept of materiality and explains it as 'misstatements, including omissions that could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its own omission or misstatement. Materiality provides a threshold or benchmark against which any errors or differences of opinion between management and ourselves can be evaluated.'

- It is important to understand that an item may be considered material for reasons other than size, if for example, it had an impact on:
  - Narrative disclosure e.g. accounting policies, going concern.
  - Compliance with loan covenants.
  - Instances when greater precision is required (e.g. trustee' emoluments).

- Materiality for Emmaus Leeds has been set on the basis of income, as this is considered the most appropriate indicator for a performance to meet the needs of the charity.

A5. MATERIALITY continued

CALCULATION AND DETERMINATION

- We have determined materiality based on professional judgement in the context of our knowledge of the charity, and reporting requirements for the financial statements.
- We determine materiality in order to:
  - Assist in establishing the scope of our audit engagement and audit tests.
  - Calculate sample sizes.
  - Assist in evaluating the effect of known and likely misstatements on the group financial statements.
- Performance materiality is calculated as a percentage of overall materiality and is used to calculate our sample sizes to enable any material misstatements to be more easily identified. The usual percentages applied are between 75% (low risk) to 50% (high risk).

  We have considered 75% of overall materiality to be an appropriate level of performance materiality on the basis of our initial risk assessment.

REASSESSMENT OF MATERIALITY

- We reconsider materiality, during the course of our audit engagement if we become aware of facts and circumstances that caused us to make a different determination of planning materiality.
- Further, when we have performed all our tests and are ready to evaluate the results of those tests (including any misstatements we detected) we will consider whether materially combined with the nature, timing and extent of our auditing procedures, provided a sufficient audit scope. If we conclude that our audit scope was sufficient, we will use materiality to evaluate whether uncorrected misstatements (individually or in aggregate) are material.

'CLEARLY TRIVIAL' AND UNADJUSTED ERRORS

- In accordance with auditing standards, we will communicate to board all uncorrected misstatements identified during our audit, other than those which we believe are 'clearly trivial'.
- Clearly trivial is defined as matters which will be of a wholly different (smaller) order by magnitude than the materiality thresholds used in the audit, and will be matters that are clearly inconsequential, whether taken individually or in aggregate. We have set this level at 5% of total materiality.
- There are a number of areas where we would strongly recommend/request any misstatements identified during the audit process being adjusted. These include:
  - Clear cut errors whose correction would cause non-compliance with loan covenants, management compensation agreements, other contractual obligations or governmental regulations that we consider are significant.
  - Other misstatements that we believe are material or clearly wrong.

A6. DRAFT REPRESENTATION LETTER

Dear Sirs

LETTER OF REPRESENTATION
FOR THE YEAR ENDED 30 JUNE 2021

This representation letter is provided in connection with your statutory audit of the financial statements of Emmaus Leeds for the year ended 30 June 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the results and financial position of the charity in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice- Charities SORP).

Financial Statements

1. We have fulfilled our responsibilities as directors under the Companies Act 2006 for preparing financial statements in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) which give a true and fair view of the financial position of the charity as at 30 June 2021 and of the results of its operation for the year then ended and for making accurate representations to you.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. There are no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been disclosed in accordance with the requirements of accounting standards.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting standards.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.
7. We confirm the financial statements are free of material misstatements, including omissions.

   We believe that the uncorrected misstatements identified during the audit are immaterial both individually and in aggregate to the financial statements as a whole.
8. We confirm that, having considered our expectations and intentions for the next twelve months, and the availability of working capital, the charity is a going concern. We confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.

A6. DRAFT REPRESENTATION LETTER continued

Information Provided

9. All accounting records and relevant information have been made available to you for the purpose of your audit. We have provided to you all other information requested and given unrestricted access to persons within the entity from whom you have deemed it necessary to request information. All other records and related information, including minutes of all management and shareholders meetings, have been made available to you.
10. All transactions undertaken by the charity have been properly reflected in the accounting records and are reflected in the financial statements.
11. We acknowledge responsibility for the design, implementation and maintenance of controls to prevent and detect fraud. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
12. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves management, employees who have a significant role in internal control, or others, where fraud could have a material effect on the financial statements.
13. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
14. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its business and which could affect the financial statements. The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
15. We confirm that we have disclosed to you the identity of the entity's related parties and all related party relationships and transactions relevant to the company that we are aware of.
16. The company has satisfactory title to all assets, and there are no liens or encumbrances on the assets except for those disclosed in the financial statements.
17. There are no liabilities, contingent liabilities or guarantees to third parties other than those disclosed in the financial statements.
18. The charity has at no time during the year entered into any agreement, transaction or agreement to provide credit facilities (including loans, quasi loans or credit transactions) for trustees, nor to guarantee or provide security for such matters, except as disclosed in the financial statements.
19. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. We have taken all the steps that we ought to have taken as trustees in order to make ourself aware of any relevant audit information and to establish that you are aware of that information.

A6. DRAFT REPRESENTATION LETTER continued

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourself that we can properly make each of the above representations to you.

Yours faithfully

……
Trustee

Date:……

Charity names:	Emmaus Leeds
Charity number	1077790
Registered offices	St Mary's Street
	Leeds
	LS9 7DP

The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the association and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

Brown Butler Limited is a corporate entity.

Copyright@2019 Brown Butler Limited. All rights reserved.