

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

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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  
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Emmaus Leeds  
(A Company Limited By Guarantee)

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

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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.



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

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#### **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.

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

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### **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.

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

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### **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.

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

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#### **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**

Independent Auditor's Report to the Members of Emmaus Leeds

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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.

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**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.

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Independent Auditor's Report to the Members of Emmaus Leeds

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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.

*BrownButler*

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 £
<b>Income from:</b>					
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
<b>Total income</b>		<u>840,982</u>	<u>35,000</u>	<u>875,982</u>	<u>705,393</u>
<b>Expenditure on:</b>					
Charitable activities	4	<u>776,049</u>	<u>-</u>	<u>776,049</u>	<u>719,697</u>
<b>Net income/(expenditure) before transfers</b>		64,933	35,000	99,933	(14,304)
Gross transfers between funds		<u>35,000</u>	<u>(35,000)</u>	<u>-</u>	<u>-</u>
<b>Net income/(expenditure) and net movement in funds</b>		99,933	-	99,933	(14,304)
Fund balances at 1 July 2022		<u>1,462,047</u>	<u>178</u>	<u>1,462,225</u>	<u>1,476,529</u>
<b>Fund balances at 30 June 2023</b>		<u><u>1,561,980</u></u>	<u><u>178</u></u>	<u><u>1,562,158</u></u>	<u><u>1,462,225</u></u>

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.

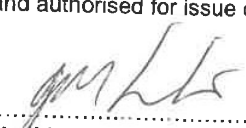
The notes on pages 12 to 24 form part of these financial statements.



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

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

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. M Lister  
 Trustee

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

**Emmaus Leeds**  
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Statement of Cash Flows  
For the year ended 30 June 2023

	2023 £	2022 £
<b>Cash generated from operations</b>		
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
<b>Cash flows from operating activities</b>	157,548	38,711
<b>Investing activities</b>		
Purchase of tangible fixed assets	(161,076)	(3,377)
Interest received	1,358	212
	(159,718)	(3,165)
<b>Net (decrease) / increase in cash and cash equivalents</b>	(2,170)	35,546
Cash and cash equivalents at beginning of year	382,064	346,518
<b>Cash and cash equivalents at end of year</b>	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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

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**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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

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**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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

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**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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

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**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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**2 Donations and legacies**

	2023 £	2022 £
Donations and legacies	<u>33,714</u>	<u>23,784</u>

**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	<u>85,387</u>	<u>-</u>	<u>85,387</u>	<u>2,968</u>	<u>-</u>	<u>2,968</u>
	<u>321,436</u>	<u>519,054</u>	<u>840,490</u>	<u>239,315</u>	<u>441,244</u>	<u>680,559</u>

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

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**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
	<u>340,897</u>	<u>265,750</u>	<u>606,647</u>	<u>313,175</u>	<u>224,450</u>	<u>537,625</u>
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
	<u>430,918</u>	<u>345,131</u>	<u>776,049</u>	<u>409,875</u>	<u>309,822</u>	<u>719,697</u>
<b>Analysis of fund</b>						
Unrestricted funds	430,918	345,131	776,049	408,098	309,822	717,920
Restricted funds	-	-	-	1,777	-	1,777
	<u>430,918</u>	<u>345,131</u>	<u>776,049</u>	<u>409,875</u>	<u>309,822</u>	<u>719,697</u>



**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**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
	<u>163,002</u>	<u>6,400</u>	<u>169,402</u>	<u>182,072</u>

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
<u>14</u>	<u>13</u>

**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
	<u>350,438</u>	<u>296,331</u>

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

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**7 Comparatives for the Statement of Financial Activities**

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

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**8 Tangible fixed assets**

	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>					
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	<u>1,712,464</u>	<u>138,540</u>	<u>56,810</u>	<u>118,730</u>	<u>2,026,546</u>
<b>Depreciation</b>					
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	<u>606,107</u>	<u>127,059</u>	<u>56,075</u>	<u>57,828</u>	<u>847,069</u>
<b>Net book value</b>					
At 30 June 2023	<u>1,106,357</u>	<u>11,483</u>	<u>735</u>	<u>60,902</u>	<u>1,179,477</u>
At 30 June 2022	<u>1,061,514</u>	<u>4,091</u>	<u>1,321</u>	<u>1,458</u>	<u>1,068,384</u>

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
	<u>25,417</u>	<u>40,811</u>

**10 Creditors: amounts falling due within one year**

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

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**11 Funds**

Current year	Balance at 1 July 2022	Income	Expenditure	Transfers	Balance at 30 June 2023
	£	£	£	£	£
<b>Unrestricted funds:</b>					
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
<b>Total unrestricted funds</b>	<b>1,462,047</b>	<b>840,982</b>	<b>(776,049)</b>	<b>35,000</b>	<b>1,561,980</b>
<b>Restricted funds:</b>					
Emmaus UK					
- Capital purchases	-	35,000	-	(35,000)	-
- Other restricted funds	178	-	-	-	178
<b>Total restricted funds</b>	<b>178</b>	<b>35,000</b>	<b>-</b>	<b>(35,000)</b>	<b>178</b>
<b>Total funds</b>	<b>1,462,225</b>	<b>875,982</b>	<b>(776,049)</b>	<b>-</b>	<b>1,562,158</b>

**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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**12 Funds - continued**

Prior year	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2022 £
<b>Unrestricted funds:</b>					
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
<b>Total unrestricted funds</b>	<b>1,476,529</b>	<b>703,438</b>	<b>(717,920)</b>	<b>-</b>	<b>1,462,047</b>
<b>Restricted funds:</b>					
Emmaus UK	-	-	-	-	-
- Capital purchases	-	1,955	(1,777)	-	178
- Other restricted funds	-	-	-	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>1,955</b>	<b>(1,777)</b>	<b>-</b>	<b>178</b>
<b>Total funds</b>	<b>1,476,529</b>	<b>705,393</b>	<b>(719,697)</b>	<b>-</b>	<b>1,462,225</b>

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**12 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Total £
<b>Current year</b>			
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
	<u>1,179,299</u>	<u>178</u>	<u>1,179,477</u>
Net current assets / (liabilities)	<u>382,681</u>	<u>-</u>	<u>382,681</u>
	<u><u>1,561,980</u></u>	<u><u>178</u></u>	<u><u>1,562,158</u></u>
<b>Prior year</b>			
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
	<u>1,068,384</u>	<u>178</u>	<u>1,068,562</u>
Net current assets / (liabilities)	<u>393,663</u>	<u>-</u>	<u>393,663</u>
	<u><u>1,426,225</u></u>	<u><u>178</u></u>	<u><u>1,426,225</u></u>

**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	<u>93,907</u>	<u>70,783</u>

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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

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**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

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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)

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Emmaus Leeds  
(A Company Limited By Guarantee)

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

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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.

Emmaus Leeds  
(A Company Limited By Guarantee)

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

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#### **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.

Emmaus Leeds  
(A Company Limited By Guarantee)

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

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### **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.

Emmaus Leeds  
(A Company Limited By Guarantee)

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

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### **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.

Emmaus Leeds  
(A Company Limited By Guarantee)

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

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#### **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**

Independent Auditor's Report to the Members of Emmaus Leeds

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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



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**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

Independent Auditor's Report to the Members of Emmaus Leeds

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.

*BrownButler*

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 £
<b>Income from:</b>					
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
<b>Total income</b>		<u>840,982</u>	<u>35,000</u>	<u>875,982</u>	<u>705,393</u>
<b>Expenditure on:</b>					
Charitable activities	4	<u>776,049</u>	<u>-</u>	<u>776,049</u>	<u>719,697</u>
<b>Net income/(expenditure) before transfers</b>		64,933	35,000	99,933	(14,304)
Gross transfers between funds		<u>35,000</u>	<u>(35,000)</u>	<u>-</u>	<u>-</u>
<b>Net income/(expenditure) and net movement in funds</b>		99,933	-	99,933	(14,304)
Fund balances at 1 July 2022		<u>1,462,047</u>	<u>178</u>	<u>1,462,225</u>	<u>1,476,529</u>
<b>Fund balances at 30 June 2023</b>		<u><u>1,561,980</u></u>	<u><u>178</u></u>	<u><u>1,562,158</u></u>	<u><u>1,462,225</u></u>

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**

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

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. M 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

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
<b>Cash generated from operations</b>		
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
	<u>57,615</u>	<u>53,019</u>
<b>Cash flows from operating activities</b>	<b>157,548</b>	<b>38,711</b>
<b>Investing activities</b>		
Purchase of tangible fixed assets	(161,076)	(3,377)
Interest received	1,358	212
	<u>(159,718)</u>	<u>(3,165)</u>
<b>Net cash used in investing activities</b>	<b>(159,718)</b>	<b>(3,165)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(2,170)</b>	<b>35,546</b>
Cash and cash equivalents at beginning of year	382,064	346,518
<b>Cash and cash equivalents at end of year</b>	<b><u>379,894</u></b>	<b><u>382,064</u></b>

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

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

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

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**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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

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**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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

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**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.



**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

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**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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**2 Donations and legacies**

	2023 £	2022 £
Donations and legacies	<u>33,714</u>	<u>23,784</u>

**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	<u>85,387</u>	<u>-</u>	<u>85,387</u>	<u>2,968</u>	<u>-</u>	<u>2,968</u>
	<u>321,436</u>	<u>519,054</u>	<u>840,490</u>	<u>239,315</u>	<u>441,244</u>	<u>680,559</u>

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

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**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
	<u>340,897</u>	<u>265,750</u>	<u>606,647</u>	<u>313,175</u>	<u>224,450</u>	<u>537,625</u>
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
	<u>430,918</u>	<u>345,131</u>	<u>776,049</u>	<u>409,875</u>	<u>309,822</u>	<u>719,697</u>
<b>Analysis of fund</b>						
Unrestricted funds	430,918	345,131	776,049	408,098	309,822	717,920
Restricted funds	-	-	-	1,777	-	1,777
	<u>430,918</u>	<u>345,131</u>	<u>776,049</u>	<u>409,875</u>	<u>309,822</u>	<u>719,697</u>

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**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
	<u>163,002</u>	<u>6,400</u>	<u>169,402</u>	<u>182,072</u>

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
<u>14</u>	<u>13</u>

**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
	<u>350,438</u>	<u>296,331</u>

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

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**7 Comparatives for the Statement of Financial Activities**

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

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**8 Tangible fixed assets**

	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>					
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	<u>1,712,464</u>	<u>138,540</u>	<u>56,810</u>	<u>118,730</u>	<u>2,026,546</u>
<b>Depreciation</b>					
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	<u>606,107</u>	<u>127,059</u>	<u>56,075</u>	<u>57,828</u>	<u>847,069</u>
<b>Net book value</b>					
At 30 June 2023	<u>1,106,357</u>	<u>11,483</u>	<u>735</u>	<u>60,902</u>	<u>1,179,477</u>
At 30 June 2022	<u>1,061,514</u>	<u>4,091</u>	<u>1,321</u>	<u>1,458</u>	<u>1,068,384</u>

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
	<u>25,417</u>	<u>40,811</u>

**10 Creditors: amounts falling due within one year**

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

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**11 Funds**

Current year	Balance at 1 July 2022	Income	Expenditure	Transfers	Balance at 30 June 2023
	£	£	£	£	£
<b>Unrestricted funds:</b>					
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
<b>Total unrestricted funds</b>	<b>1,462,047</b>	<b>840,982</b>	<b>(776,049)</b>	<b>35,000</b>	<b>1,561,980</b>
<b>Restricted funds:</b>					
Emmaus UK					
- Capital purchases	-	35,000	-	(35,000)	-
- Other restricted funds	178	-	-	-	178
<b>Total restricted funds</b>	<b>178</b>	<b>35,000</b>	<b>-</b>	<b>(35,000)</b>	<b>178</b>
<b>Total funds</b>	<b>1,462,225</b>	<b>875,982</b>	<b>(776,049)</b>	<b>-</b>	<b>1,562,158</b>

**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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**12 Funds - continued**

Prior year	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2022 £
<b>Unrestricted funds:</b>					
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
<b>Total unrestricted funds</b>	<b>1,476,529</b>	<b>703,438</b>	<b>(717,920)</b>	<b>-</b>	<b>1,462,047</b>
<b>Restricted funds:</b>					
Emmaus UK	-	-	-	-	-
- Capital purchases	-	1,955	(1,777)	-	178
- Other restricted funds	-	-	-	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>1,955</b>	<b>(1,777)</b>	<b>-</b>	<b>178</b>
<b>Total funds</b>	<b>1,476,529</b>	<b>705,393</b>	<b>(719,697)</b>	<b>-</b>	<b>1,462,225</b>



**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

**12 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Total £
<b>Current year</b>			
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
	<u>1,179,299</u>	<u>178</u>	<u>1,179,477</u>
Net current assets / (liabilities)	<u>382,681</u>	<u>-</u>	<u>382,681</u>
	<u><u>1,561,980</u></u>	<u><u>178</u></u>	<u><u>1,562,158</u></u>
<b>Prior year</b>			
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
	<u>1,068,384</u>	<u>178</u>	<u>1,068,562</u>
Net current assets / (liabilities)	<u>393,663</u>	<u>-</u>	<u>393,663</u>
	<u><u>1,426,225</u></u>	<u><u>178</u></u>	<u><u>1,426,225</u></u>

**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	<u>93,907</u>	<u>70,783</u>

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.

**Emmaus Leeds**  
**(A Company Limited By Guarantee)**

Notes to the Financial Statements  
For the year ended 30 June 2023

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**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.



# **Audit Highlights Report for the year ended 30 June 2023**

Date of issue: 20 November 2023



## CONTENTS AND INTRODUCTION

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

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### APPENDICES

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**A1** MATERIAL MISSTATEMENTS

**A2** UNCORRECTED MISSTATEMENTS

**A3** AUDIT ADJUSTMENTS

**A4** INDEPENDENCE

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**A6** DRAFT REPRESENTATION LETTER

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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:**

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- 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.

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

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- 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.

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- 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 27<sup>th</sup> September 2023, are set out 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
<b>Management override of controls</b>	<p>The ISAs presume that a risk of management override of controls is present in all entities.</p> <p>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.</p> <p>We identified no issues in the course of our work which suggest the inappropriate management override of controls.</p>
<b>Revenue recognition</b>	<p>The correct recognition of income in line with FR102 was considered in detail.</p> <p>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.</p> <p>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.</p>
<b>Compliance with Laws &amp; Regulations</b>	<p>We are satisfied that income has been properly recognised in the financial statements. The debtors ledger has also been reviewed.</p> <p>This was identified as an area of particular focus given that the charity operates in such a heavily regulated sector.</p> <p>We discussed compliance matters with management and documented how potential compliance exposure is controlled and mitigated within the organisation.</p> <p>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.</p> <p>We identified no matters of concern in respect of compliance with Laws and Regulation in the course of our audit work.</p>



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

RISK AND AREA OF WORK	WORK UNDERTAKEN AND CONCLUSION
<b>Going concern</b>	<p>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.</p> <p>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.</p> <p>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.</p>
<b>Charity overheads and controls</b>	<p>Our testing of overheads, invoices and payments, included detailed transactional testing, across various charity costs and overheads.</p> <p>Our testing included reviewing payment authorisation and documentation through to processing within the finance function.</p> <p>We are satisfied that the overheads and expenses have been recognised within the financial statements to give a true and fair view.</p>
<b>Fixed Assets</b>	<p>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.</p> <p>Reviewed the register for any potential disposals.</p> <p>Fixed asset register was cross cast and agreed to the management accounts, to make sure they agreed.</p> <p>We acquired all title deeds relating to properties held by the charity, and agreed to previously audited financial statements.</p> <p>We had also found some assets within the expenditure of the charity for which we have capitalised. See A3 for details.</p>
<b>Wages &amp; Pensions</b>	<p>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.</p> <p>Payroll summaries were reconciled back to the financial statements.</p> <p>Payroll expense bank transfers made to the bureau were checked via the bank account to the payroll bureau summaries supplied by them.</p> <p>Checks on calculations for deductions made for taxation purpose and pension contributions, were carried out and found to be correct.</p>

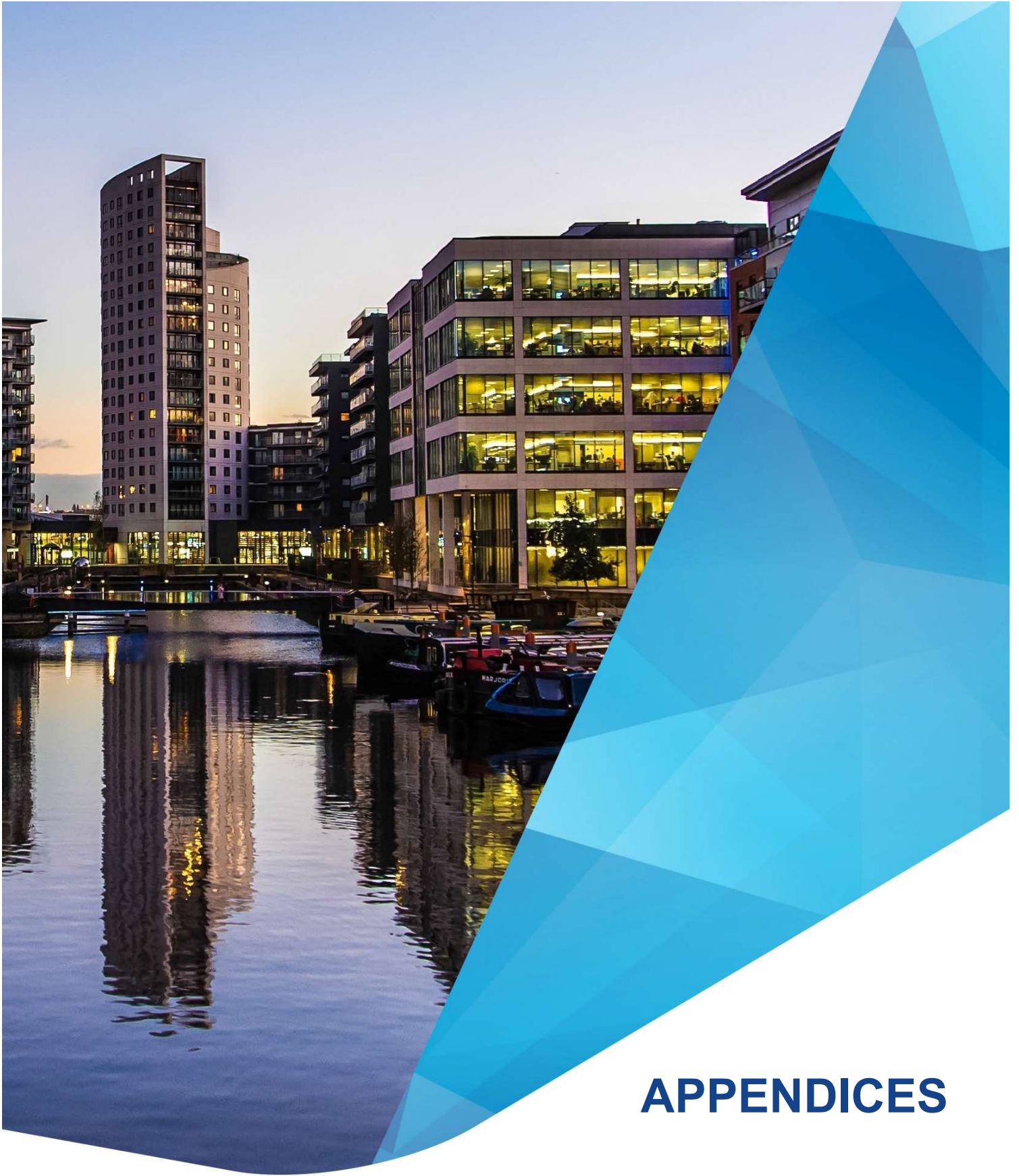
We found that the charity now has control checks, through monthly reconciliations with NEST and HMRC gov gateway to ensure liabilities due to be paid on behalf of the employer and employees and pension contributions have been made, and all on a timely basis.

### 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
<b>E-Commerce Income Error</b>	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	-
<b>Totals</b>			<b>Totals</b>	-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
<b>Adjustment for Vehicle DL12 MXT</b>  Vehicle was donated to Emmaus Bradford on 02/03/2023.	Vehicle Cost  Vehicle Depreciation	  15,750	15,750
<b>Depreciation Journal - Motor Vehicles</b> Motor Vehicles Depreciation	Vehicle Depreciation  Depreciation	  13,629.44	13,629.44
<b>Property Depreciation</b> Property/Building Depreciation	Building Depreciation  Depreciation	  32,249.27	32,249.27
<b>Fixtures &amp; Fittings Depreciation Adjustment</b> Depreciation of FFE	FFE Depreciation  Depreciation	  3,518.84	3,518.84
<b>Computer Equipment Depreciation</b> Computer Equipment Depreciation	Computer Depreciation  Depreciation	585.56   	  585.56
<b>Bradford Lifts Fixed Asset Amendment</b> QuickBooks Nominals Adjustments Dr FFE Costs Cr 6625 Premises: Building Maintenance: Lift Maintenance	FFE Cost  Premises Costs	10,000   	  10,000
<b>Grant Income Journal Adjustment</b> 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
<b>Totals</b>		<b>96,688.33</b>	<b>96,688.33</b>



## 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 are 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 ourselves 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 ourselves 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.

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