

**Charity Registration No. 1077790**

**Company Registration No. 03785564 (England and Wales)**

# **Emmaus Leeds**

**(A Company Limited By Guarantee)**

**Trustees' Annual Report and Financial Statements**

**For The Year Ended 30 June 2024**

Brown Butler  
Chartered Accountants  
Leeds

Legal and Administrative Information

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

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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 2024 which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

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

The legal and administrative information constitutes part of this report.

## **Objectives and Activities**

### **Overall Purpose**

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

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

1. The provision of accommodation or assistance in such provision, for the poor and homeless in the Leeds area and such other places as may seem appropriate from time to time.
2. The provision of education, training and employment training for such persons with the purpose of developing skills to enable them to gain employment.
3. The support of the work of other Emmaus communities or other agencies in the relief of poverty and homelessness whether in the United Kingdom or elsewhere in the world and in particular (without limitation) by the exchange of resources, information and expertise with other Emmaus communities worldwide.
4. The fulfilling of such other purposes as may from time to time be recognised by English Law as being charitable and which the Charity shall from time to time determine."

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

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

### **Achievements and Performance**

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

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

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

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

### **Fundraising Activities**

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

### **Financial Review**

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

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

### **Principal Funding Sources**

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

### **Reserves Policy**

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

### **Volunteers**

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

### **Risk management**

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

### **Plans for the future**

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

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

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

## **Structure, Governance and Management**

### **Governing Document**

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

### **Constitution**

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

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

### **Organisational Structure**

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

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

### **Management Structure**

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

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

### **External Relationships**

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

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

### **Statement of Trustees' Responsibilities**

The Trustees, who are also directors of Emmaus Leeds for the purposes of Company Law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice). Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the incoming resources and application of resources, including the income and expenditure of the charitable company for that year.

In preparing these financial statements the Trustees are required to:-

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

#### **Auditor**

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

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

#### **Small Company Rules**

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

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

Mr J M Lister  
Chair of Trustees

Dated: ..... 2024



The Trustees, who are also the directors of Emmaus Leeds for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Emmaus Leeds

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2024 and of its income resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusion relating to going concern**

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

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

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

**Other information**

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

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

We have nothing to report in this regard.

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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, 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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**Capability of the audit in detecting irregularities, including fraud**

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

- Using our general commercial and sector experience and through discussions with the trustees and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.
- We examined the charitable company's regulatory and legal correspondence and discussed with the trustees and other management any known or suspected instances of fraud or non-compliance with laws and regulations.
- We communicated identified laws and regulations and potential fraud risks of all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements. We also discussed related party relationships and transactions involving them.

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

**Use of our report**

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

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

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

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

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
<b>Income from:</b>					
Donations and legacies	2	22,496	-	22,496	33,714
Charitable activities:					
Grants, fees, contracts	3	245,940	4,500	250,440	321,436
Trading income	3	496,730	-	496,730	519,054
Investment income		3,433	-	3,433	1,358
Other income		164	-	164	420
<b>Total income</b>		<u>768,763</u>	<u>4,500</u>	<u>773,263</u>	<u>875,982</u>
<b>Expenditure on:</b>					
Charitable activities	4	<u>798,828</u>	<u>1,308</u>	<u>800,136</u>	<u>776,049</u>
<b>Net (expenditure)/income before transfers</b>		(30,065)	3,192	(26,873)	99,933
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net (expenditure)/income and net movement in funds</b>		(30,065)	3,192	(26,873)	99,933
Fund balances at 1 July 2023		<u>1,561,980</u>	<u>178</u>	<u>1,562,158</u>	<u>1,462,225</u>
<b>Fund balances at 30 June 2024</b>		<u><u>1,531,915</u></u>	<u><u>3,370</u></u>	<u><u>1,535,285</u></u>	<u><u>1,562,158</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 13 to 24 form part of these financial statements.

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

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

.....  
 Mr JM Lister  
 Trustee

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

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

Statement of Cash Flows  
For the year ended 30 June 2024

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

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

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

## **1 Accounting policies**

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

### **Charity information**

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

### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £1.

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

### **1.2 Going concern**

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

### **1.3 Critical accounting estimates and judgements**

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

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

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



## **1 Accounting policies - continued**

### **1.4 Charitable funds**

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

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

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

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

### **1.5 Income**

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

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

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

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

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

### **1.6 Expenditure**

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

Expenditure is classified under the following activity headings:

- Charitable activity comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.
- Support costs include those costs which cannot be directly attributed to a particular heading, and include the governance costs of the charity. These are allocated to the relevant activity based on usage and staff time associated with each activity.

## **1 Accounting policies - continued**

### **1.7 Tangible fixed assets**

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

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

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

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

### **1.8 Impairment of fixed assets**

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

### **1.9 Cash and cash equivalents**

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

### **1.10 Financial instruments**

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

#### ***Basic financial assets***

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

#### ***Impairment of financial assets***

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

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

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

## **1 Accounting policies - continued**

### ***Derecognition of financial assets***

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

### ***Basic financial liabilities***

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

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

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

### ***Derecognition of financial liabilities***

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

#### **1.11 Taxation**

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

#### **1.12 Employee benefits**

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

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

#### **1.13 Retirement benefits**

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

#### **1.14 Leases**

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

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Notes to the Financial Statements  
For the year ended 30 June 2024

**2 Donations and legacies**

	2024 £	2023 £
Donations and legacies	<u>22,496</u>	<u>33,714</u>

**3 Charitable activities**

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

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

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Notes to the Financial Statements  
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**4 Charitable activities**

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

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Notes to the Financial Statements  
For the year ended 30 June 2024

**5 Support costs**

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

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

**6 Employees**

**Number of employees**

The average monthly number of employees during the year was:

2024 Number	2023 Number
<u>12</u>	<u>14</u>

**Employment costs**

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

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

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Notes to the Financial Statements  
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**7 Comparatives for the Statement of Financial Activities**

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

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Notes to the Financial Statements  
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**8 Tangible fixed assets**

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

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

**9 Debtors**

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

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

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



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Notes to the Financial Statements  
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**11 Funds**

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

**Restricted funds:**

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

**Designated funds:**

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

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

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Notes to the Financial Statements  
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**11 Funds - continued**

<b>Prior year</b>	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
-Move-on accommodation	48,704	-	-	33,331	82,035
-IT / Cybertill	1,767	-	-	(754)	1,013
<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>

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Notes to the Financial Statements  
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**12 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Total £
<b>Current year</b>			
Tangible assets			
Designated capital funds:			
- Move-on accommodation	80,246	-	80,246
- IT / Cybertill	111	-	111
- St Mary's Street	852,200	-	852,200
General Funds	271,319	-	271,319
	<u>1,203,876</u>	<u>-</u>	<u>1,203,876</u>
Net current assets / (liabilities)	336,830	3,370	340,200
	<u>1,540,706</u>	<u>3,370</u>	<u>1,544,076</u>
<b>Prior 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)	382,681	-	382,681
	<u>1,561,980</u>	<u>178</u>	<u>1,562,158</u>

**13 Operating lease commitments**

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

**14 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows:

	2024 £	2023 £
Total employee benefits	<u>81,328</u>	<u>93,907</u>

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

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