

CHARITY

Charity Registration No. 1146326

Company Registration No. 07871687 (England and Wales)

EMMAUS LEICESTERSHIRE AND RUTLAND

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

EMMAUS LEICESTERSHIRE AND RUTLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Emmaus UK Peter Savage Simon Stacey Emily Smith Clive Pitt Lindsay Orton Anthony Brown Sarah Johnson	(Appointed 15 November 2022)
	Jane Grice	(Appointed 21 February 2023)
Secretary	Clive Pitt	
Charity number	1146326	
Company number	07871687	
Principal address	The Emporium Stockwell Head Hinckley Leicestershire LE10 1RG	
Registered office	The Emporium Stockwell Head Hinckley Leicestershire LE10 1RG	
Independent examiner	Thomas Mayfield BA ACA Mayfield & Co 2 Merus Court Meridian Business Park Leicester LE19 1RJ	
Bankers	Lloyds TSB Bank 54-56 Chestnut Drive Oadby Leicester LE2 5JG	
Solicitors	Headleys Solicitors 15 Station Road Hinckley Leicestershire LE10 1AW	

EMMAUS LEICESTERSHIRE AND RUTLAND

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EMMAUS LEICESTERSHIRE AND RUTLAND

CHAIR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023

It is my pleasure to provide a short summary of the 2022/ 2023 Emmaus Leicestershire and Rutland year.

Our Mission is "to enable people to overcome homelessness in Leicestershire and Rutland" which we deliver by providing accommodation, work and supporting services to a group of Companions based in Hinckley. The past year has been one of much progress in a number of areas as our new management team led by our Director, Dawn Wright have continued to re-organise how we do things to a much higher professional standard.

The Companion group has been settled this year and whilst we have struggled to achieve maximum occupancy at Elm Lea this does allow us to focus in detail on the needs of those Companions that we do have. The team supporting Companions has extra resource now allowing us to develop the service that we provide to individuals. Companions have worked well individually and collectively and many of our successes are due to their efforts.

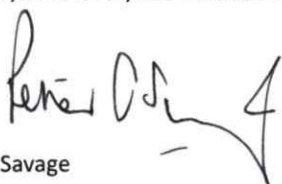
Dawn Wright continues to lead the Charity and has performed excellently again this year, The Board has confidence that Dawn will achieve the priority targets for Emmaus. Our team remains small meaning that everyone has to roll their sleeves up in the common good. Such an inclusive approach to running an organisation requires flexibility and pragmatism and we are lucky to have this in spades in our team.

Moving forward there are significant projects on the horizon. We will conclude the formative discussions with Emmaus Coventry and Warwickshire within the next three months allowing us to create a strategic plan for the next five years with, or without, a new partner. In addition we will continue to develop a plan for the Stockwell Head site which is as exciting as it is daunting. Needless to say this would be the biggest development in our Charity's short history and we will give it the necessary respect to achieve something that we can all be proud of.

The Trustee Board continues to provide oversight and guidance and as ever I am grateful to all for the level of engagement which has been provided. The Trustee group is a small but powerful team of professionals and my hope is that they see their involvement as positively as I do.

Finally I must pay tribute to all those people who support Emmaus. The staff team have performed very well again this year. We are lucky to have a small but dedicated group of volunteers who work alongside the staff team to deliver the various outcomes. Our relationship with supporting organisations, agencies and others goes from strength to strength as we continue to develop the awareness of Emmaus in the local community and beyond.

Emmaus has been in Leicestershire and Rutland for a relatively short time and has successfully established itself in Hinckley. Thank you to everyone who has helped so far as we look forward to the future with much positivity.



Peter Savage
Chair

Date: 12 December 2023

EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

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

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019)

Objectives and activities

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

The objects of the charity are, without distinction, the alleviation of homelessness and relief of poverty, hardship and the distress they cause to those in need. In addition to its work locally, Emmaus Leicestershire and Rutland is a member of both Emmaus Europe and Emmaus International and contributes to the work of these organisations materially to establish and maintain Emmaus communities throughout the rest of the World.

Strategies for achieving objectives

Emmaus Leicestershire & Rutland provides a home, work, education and training for previously homeless or vulnerable people in and around Leicestershire and Rutland. It also welcomes people who are interested in the way of life and opportunities offered by being an Emmaus Companion.

Emmaus Leicestershire & Rutland Companions each have a room of their own and work together collecting, refurbishing and selling donated goods. They have the opportunity to gain new skills and regain their self-respect while working to support other people in greater need.

Emmaus Leicestershire and Rutland also helps local disadvantaged people to set up home at a reasonable cost, working closely together with Social Services, other charities, local churches and other voluntary organisations. Emmaus International's work has been supported by donations following Solidarity Sales.

We would like to thank everyone who supports our work, the generous people who donate items to us for sale in our shops together with those who come and buy them, the members of the public, churches and groups who continue to donate money to us and support our activities practically by working with us. We would also like to thank those people who have come forward to volunteer in our Community; by so doing they support and encourage companions with their knowledge and experience.

A key feature of the work we do consists of solidarity between ourselves and the community and building on the work we do with our companions. We look to work with vulnerable people and those members of society who may have hit hard times, and look to bring structure to their lives, provide them with responsibility and hope to see a rise in their self-esteem as a consequence of the opportunities they are provided with. Our approach is significantly influenced by the original companion Georges and along with the other Emmaus groups we owe a debt of thanks to Father Henri Marie Joseph Grouès - better known as the "Abbe Pierre".

EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

Public benefit statement

Emmaus activities are all designed to meet the needs of vulnerable people who may have hit on hard times. The charity's objects are to help with the relief of poverty, hardship and distress arising to those in need without distinction. Our activities are in conformance with the principles of the Emmaus movement as published from time to time by Emmaus UK.

We seek to provide accommodation or assistance in such provision, for homeless people in the area and such other places as may seem appropriate from time to time (the beneficiaries). We seek to provide the rehabilitation of the beneficiaries as appropriate and the provision of education, training (including, without limitation, employment training) and work opportunities and satisfaction for the beneficiaries with the purpose of developing their skills to enable them to gain employment in the future and thereby develop a sense of self-worth and dignity through having a self-supporting life.

We believe we have achieved our charitable objectives and therefore provided a public benefit. We have capacity to house sixteen companions in accommodation and they are receiving the relevant support and training that they require, whilst having the opportunity to work and contribute to the future success of the charity.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Review of activities; This report covers the year since the AGM in November 2022. It sets out activities and changes within the organisation for that period and includes the accounts for the period 1 July 2022 to 30 June 2023.

As usual The Charity Once has been very busy with the team working together to strengthen the role the charity plays in supporting Companions and exploring opportunities for improving operations for the future. The staff team, companions and volunteers have contributed tremendously to the charity's performance this year, working as a collective group to ensure that the key priorities are achieved..

The Community has been relatively stable this year and we have accommodated a number of new Companions, the majority of the group have been with Emmaus for a number of years and alongside our management team form the backbone of the Charity. As time passes by we seek to increase the size of the group up to the maximum 16 who we can accommodate at Elm Lea. In addition we want to diversify the group to reflect the range of homeless people for whom the Emmaus offer may be suitable. Recruitment of new Companions remains challenging as we seek to match the needs of individuals who have become homeless with the realistic capability of our team to manage those needs.

The awareness of Emmaus continues to grow and our relationships with local authorities and other agencies remain positive. We have developed a number of relationships with commercial organisations who have contributed to our efforts this year. In particular Hinckley and Rugby Building Society, Cadent, Dunelm and Coventry Building Society have made practical contributions which have really helped us and we are most grateful for that.

We continue to lease Elm Lea in Hinckley as a Companion home and we own The Emporium building on Stockwell Head, Hinckley. It is fair to say that both of these properties drain the energy and resources of the charity due to their age and condition. We have begun to plan for the re-development of the Stockwell Head site where we hope to consolidate all activities in the future. This is a long term aspiration but one which we know would benefit all groups associated with Emmaus.

Our Social Enterprise goes from strength to strength and has become a 'go to' location for both donations and sales. The town centre location, ease of parking and quality of goods presents a unique proposition to the people of Hinckley and our team have incredible focus to ensure that performance is continually improving. The Social Enterprise is a prized asset and the team deserve enormous credit for the work they do to make the best of it.

EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

Financial review

The Charity continues to operate in challenging conditions, with considerable pressure on both income generation and costs. All income lines are under pressure and the unit cost of almost everything has increased in the year.

Our charity was established with initial funding supplied from the Pera Foundation which financed our early years. The amount remaining from that fund has now been designated to support future growth or help manage our journey to sustainability.

It is with regret that we continue to have outstanding monies from our participation in the Brighter Futures Project which concluded activities in March 2022. There remains £93,636 of funding for costs incurred on the project, that are due to us, which are currently being retained by the lead partner Business 2 Business (B2B Limited). Trustees have recently approved the use of external legal advisors to attempt to bring this matter to a conclusion. As before we have not added this income to our accounts in the year to June 2023 nor have we made a provision for it as there remains uncertainty as to the process and terms of payment of this funding.

Our Strategic Plan aims to fill the gap in funding with increased shop income, increasing the number of Companions in the Community and by developing our fundraising approach. We continue to be supported by the generosity of other donors and grant making bodies, as well as other member groups within the wider Emmaus family.

During the year we had total income of £439,230 and expenditure of £469,370. This resulted in a deficit for the year of £30,140 (2022: deficit of £29,502). Whilst having a deficit is always disappointing there is considerable positivity within the results given the strong headwinds which have affected income and costs this year.

Our financial results enable us to achieve our charitable objective of providing a community for people who have been homeless, where they can live, receive support and develop skills and dignity through the community life and work within the social enterprise business.

Reserves policy

As a matter of policy, the Trustees regularly review the level of reserves required to be held in order that the charity can maintain its operations into the future. Our revenue and capital reserves are reviewed regularly throughout the year.

Our reserves policy is to have at least three months of normal expenditure in free (cash) reserves at any one time. Our expenses totalled £469,370 for the year which would require reserves of at least £117,342. Our total reserves at the year-end were £582,510. Our cash balance at the year-end was £345,119.

Our key financial risk going forward is from our plans to generate extra income each year from all our principal revenue generating areas. Costs in all areas are increasing and our occupation of two ageing buildings means that maintenance costs will continue to increase until re-development takes place. As explained above there is also a risk that we do not receive the £93,636 funding due to us currently retained by the lead partner of the Brighter Futures project.

Principal Funding

The results of the year's operations are set out in the attached financial statements. Please refer to our Statement of Financial Activities which can be found on page 9 and our Balance Sheet on page 10.

We received funding from donations and legacies, which includes grant funding, and totalled £61,638 during the year which is a decrease on 2022 (£161,162).

We received £115,423 from housing benefit (2022: £161,662) and raised £261,028 of funds through our shop sales and other activities (2022: £250,167)

Finally, we take this opportunity to thank all our donors for their much-needed contributions.

EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

Risk Management

The Trustees regularly review their strategic and operational risks, also reviewing on a regular basis policy and procedures with regard to minimising the risks which the charity, its employees, Companions, volunteers and customers might encounter. Health and safety and specific procedure notes exist for any areas of concern. Specific nominated personnel have overall responsibility for ensuring compliance. These cover, but not exclusively, workshops, misuse of drugs and alcohol, finance, manual handling, safeguarding and COSHH.

Plans for the future

Emmaus will continue to be primarily focussed on its community of Companions ensuring that they receive support, encouragement and opportunity in their lives. Support will be tailored to the specific needs of the Companion where some will seek opportunity elsewhere but others will seek to remain within the community for the long run. This primary focus is central to the reason for our being and must as such be the first thing we seek to achieve.

Like many organisations we have pressure on our financial situation and the past twelve months has seen numerous impacts due to increases in cost. This places great emphasis on improving performance and our management team are organised to improve efficiency in all areas of operation. As stated previously our Social Enterprise is a perfect example of this approach delivering tangible improvement.

The consolidation of all activity at Stockwell Head will be the biggest project the charity has ever faced. The amount of work and finance to achieve this tremendous milestone should not be underestimated but we have a vision where all those who engage with Emmaus will be provided with modern facilities which truly represent the great work that the charity does, all we have to do now is get on with making that happen.

Alongside our planning for the future we have held formative discussions with Emmaus Coventry and Warwickshire about the possibility of merging our two organisations. It must be stated that there is no certainty that these discussions will lead to anything further but the Board believe that it is sensible to consider all options in determining how our organisation might develop in the future. Central to these discussions is a shared desire to expand our services to more people affected by homelessness in the wider Midlands area.

Life within Emmaus will always be challenging because of the nature of the challenges faced by increasing numbers of homelessness within our society, but we are confident that we will continue to accept those challenges with enthusiasm and commitment.

Structure, governance and management

Organisation

On the 5th December 2011 Emmaus Leicestershire and Rutland was incorporated under the Companies' Act 2006 as a private company limited by guarantee, registered number 07871687.

The company was granted charitable status on the 9th March 2012 under charity number 1146326.

Constitution

The charity is constituted under a Memorandum of Association dated 5th December 2011 and is a registered charity.

The Memorandum of Association has been amended in accordance with the wishes of Emmaus UK and a new constitution was agreed on 8th December 2014.

EMMAUS LEICESTERSHIRE AND RUTLAND

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

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Emmaus UK	
Peter Savage	
Rachelle Maxwell	(Resigned 23 January 2023)
Jeanne-Marie Douglas	(Resigned 18 October 2022)
Marcella Forrest	(Resigned 15 November 2022)
Ann O'Connell	(Resigned 30 September 2022)
Simon Stacey	
Emily Smith	
Clive Pitt	
Lindsay Orton	
Anthony Brown	
Sarah Johnson	(Appointed 15 November 2022)
Jane Grice	(Appointed 21 February 2023)

It was generally felt that the Board would benefit not only from additional Trustees, to share the load, but also from a wider range of skill, expertise and diversity. We will continue to encourage people with appropriate skills, free time and a passion to support our work to apply to join us.

Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Trustee nominations usually come from other Trustees within the charity, its supporters and through advertising in the local media and county wide networks.

These nominations must be approved by existing Trustees, in accordance with the Articles of Association. When specific skills are required, approaches would be made to people with relevant expertise who are sympathetic to the ethos of the Charity. If necessary, a Trustee would be co-opted specifically to cover the required function, the current Trustees are those shown on page 1.

Policies adopted for the induction and training of Trustees

Each new Trustee is briefed about the Community and their legal and ethical responsibilities as Trustees. Any prospective Trustee needs to attend one board meeting to observe the requirements and responsibilities to be undertaken. Then when an individual is ready to join the board an induction pack is given to each new Trustee to support the briefing prior to their appointment. In addition, there is an opportunity to attend a full day induction session run by Emmaus UK.

Organisational structure and decision making

In order to work effectively towards the alleviation and relief of poverty in and around Leicestershire and Rutland, Trustees and the Leadership Team believe that the Companions are central to the existence of the organisation and this is reflected in the structure of the charity.

Each week a meeting of the whole community takes place in order to discuss and agree decisions which affect the community as a whole.

EMMAUS LEICESTERSHIRE AND RUTLAND

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

Related party relationship

Emmaus Leicestershire and Rutland is member of the Federation of Emmaus in the UK and continues to work closely with Communities, Groups and staff in the Federation.

Independent Examiners

A resolution will be proposed at the Annual General Meeting that Thomas Mayfield of Mayfield and Co (Accountants) Ltd will be re-appointed as Independent Examiner to the charity for the ensuing year.

Trustees' liability

The Trustees of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Disclosure of information

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the examination of the accounts, but of which the examiner is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.



Clive Pitt

Trustee

Dated: 12 December 2023

EMMAUS LEICESTERSHIRE AND RUTLAND

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EMMAUS LEICESTERSHIRE AND RUTLAND

I report to the trustees on my examination of the financial statements of Emmaus Leicestershire and Rutland (the charity) for the year ended 30 June 2023.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Thomas Mayfield BA ACA

Mayfield & Co
2 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Dated: 12 December 2023

EMMAUS LEICESTERSHIRE AND RUTLAND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:									
Donations and legacies	3	47,888	-	13,750	61,638	53,477	-	107,685	161,162
Charitable activities	4	115,423	-	-	115,423	161,662	-	-	161,662
Raising funds	5	261,028	-	-	261,028	250,167	-	-	250,167
Investments	6	1	-	-	1	8	-	-	8
Other income	7	1,140	-	-	1,140	1,924	-	-	1,924
Total income		425,480	-	13,750	439,230	467,238	-	107,685	574,923
Expenditure on:									
Charitable activities	8	444,332	-	25,038	469,370	475,792	-	128,633	604,425
Net income/(expenditure) for the year		(18,852)	-	(11,288)	(30,140)	(8,554)	-	(20,948)	(29,502)
Net movement in funds									
Fund balances at 1 July 2022		308,730	188,545	115,375	612,650	317,284	188,545	136,323	642,152
Fund balances at 30 June 2023		289,878	188,545	104,087	582,510	308,730	188,545	115,375	612,650

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.

EMMAUS LEICESTERSHIRE AND RUTLAND

BALANCE SHEET

AS AT 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		770,856		776,346
Current assets					
Debtors	14	69,351		96,834	
Cash at bank and in hand		345,119		373,963	
		<u>414,470</u>		<u>470,797</u>	
Creditors: amounts falling due within one year	16	<u>(37,092)</u>		<u>(64,498)</u>	
Net current assets			377,378		406,299
Total assets less current liabilities			1,148,234		1,182,645
Creditors: amounts falling due after more than one year	17		(565,724)		(569,995)
Net assets			<u>582,510</u>		<u>612,650</u>
Income funds					
Restricted funds	18		104,087		115,375
<u>Unrestricted funds</u>					
Designated funds	19	188,545		188,545	
General unrestricted funds		<u>289,878</u>		<u>308,730</u>	
			478,423		497,275
			<u>582,510</u>		<u>612,650</u>

EMMAUS LEICESTERSHIRE AND RUTLAND

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2023. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

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

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

The accounts were approved by the Trustees on 12 December 2023

Peter Savage
Trustee



Company Registration No. 07871687

EMMAUS LEICESTERSHIRE AND RUTLAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	25		(16,963)		(21,042)
Investing activities					
Investment income received		1		8	
Net cash generated from investing activities			1		8
Financing activities					
Repayment of bank loans		(11,882)		(15,618)	
Net cash used in financing activities			(11,882)		(15,618)
Net decrease in cash and cash equivalents			(28,844)		(36,652)
Cash and cash equivalents at beginning of year			373,963		410,615
Cash and cash equivalents at end of year			345,119		373,963

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Charity information

Emmaus Leicestershire and Rutland is a private company limited by guarantee incorporated in England and Wales. The registered office is The Emporium, Stockwell Head, Hinckley, Leicestershire, LE10 1RG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Income

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

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

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

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

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

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

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

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:

Land and buildings	4% straight line (building only)
Motor vehicles	25% reducing balance

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

1.7 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).

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.8 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.

1.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are 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.

1.10 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.

2 Critical accounting estimates and judgements

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

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

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

3 Donations and legacies

	Unrestricted funds general £	Restricted funds £	Total 2023 £	Total 2022 £
Donations and gifts	10,305	250	10,555	9,477
Grants receivable	37,583	13,500	51,083	151,685
	<u>47,888</u>	<u>13,750</u>	<u>61,638</u>	<u>161,162</u>
For the year ended 30 June 2022	<u>53,477</u>	<u>107,685</u>		<u>161,162</u>
Donations and gifts				
General donations	10,305	-	10,305	9,477
Rotary Club	-	250	250	-
	<u>10,305</u>	<u>250</u>	<u>10,555</u>	<u>9,477</u>
Grants receivable for core activities				
Florence Turner Trust	1,000	-	1,000	-
Helen Jean Cope Charity	1,000	-	1,000	-
Henry Smith	-	6,000	6,000	-
Emmaus UK 2	-	7,500	7,500	-
Building Better Opportunities (BBO)	-	-	-	98,285
Lloyds Foundation	35,583	-	35,583	34,000
Adept Care Homes	-	-	-	10,000
Shires Community Grant	-	-	-	7,500
Barrat Development	-	-	-	1,000
Waitrose	-	-	-	900
	<u>37,583</u>	<u>13,500</u>	<u>51,083</u>	<u>151,685</u>

4 Charitable activities

	2023 £	2022 £
Housing Benefit	<u>115,423</u>	<u>161,662</u>

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

5 Raising funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Shop income	261,028	250,167

6 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	1	8

7 Other income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Rental income	1,140	1,924

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

8 Charitable activities

	Unrestricted Charitable Expenditure 2023 £	Restricted Charitable Expenditure 2023 £	Total 2023 £	Total 2022 £
Staff costs	157,271	-	157,271	194,581
Depreciation and impairment	2,771	2,719	5,490	6,409
Staff training and expenses	4,403	2,581	6,984	3,388
Companion and fundraising expenses	48,486	14,353	62,839	77,624
Purchases	-	-	-	498
Rent, rates and water	49,251	-	49,251	106,109
Light and heat	24,969	1,500	26,469	28,377
Repairs, maintenance and computer equipment	35,837	1,303	37,140	64,094
Legal and professional fees	3,609	-	3,609	8,679
Insurance	10,884	-	10,884	12,343
Sundry expenses	11,312	-	11,312	12,929
Telephone, internet and television	8,977	-	8,977	10,221
Printing, postage and stationery	3,007	2,582	5,589	7,822
Advertising	6,848	-	6,848	5,767
Motor and travel expenses	16,308	-	16,308	18,655
Other charitable expenditure	50,749	-	50,749	35,977
	<u>434,682</u>	<u>25,038</u>	<u>459,720</u>	<u>593,473</u>
Share of governance costs (see note 9)	9,650	-	9,650	10,952
	<u>444,332</u>	<u>25,038</u>	<u>469,370</u>	<u>604,425</u>
Analysis by fund				
Unrestricted funds - general	444,332	-	444,332	475,792
Restricted funds	-	25,038	25,038	128,633
	<u>444,332</u>	<u>25,038</u>	<u>469,370</u>	<u>604,425</u>
For the year ended 30 June 2022				
Unrestricted funds - general	475,792	-		475,792
Restricted funds	-	128,633		128,633
	<u>475,792</u>	<u>128,633</u>		<u>604,425</u>

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

9 Support costs

	Support costs	Governance costs	2023	2022	Basis of allocation
	£	£	£	£	
Independent examiners fees	-	3,660	3,660	3,960	Governance
Accountancy fees	-	2,800	2,800	2,880	Governance
Bank charges	-	3,190	3,190	4,112	Governance
	-	9,650	9,650	10,952	
Analysed between Charitable activities	-	9,650	9,650	10,952	

Governance costs includes payments to the independent examiners of £3,660 (2022: £3,960) for examination fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but meeting costs totaling £284 (2022: £267) were reimbursed.

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
General charitable activities	6	7

Employment costs

	2023 £	2022 £
Wages and salaries	157,271	194,581

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

12 Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

13 Tangible fixed assets

	Land and buildings	Motor vehicles	Total
	£	£	£
Cost			
At 1 July 2022	767,980	38,009	805,989
At 30 June 2023	767,980	38,009	805,989
Depreciation and impairment			
At 1 July 2022	2,719	26,924	29,643
Depreciation charged in the year	2,719	2,771	5,490
At 30 June 2023	5,438	29,695	35,133
Carrying amount			
At 30 June 2023	762,542	8,314	770,856
At 30 June 2022	765,261	11,085	776,346

14 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	2,621	2,615
Other debtors	28,056	36,279
Prepayments and accrued income	38,674	57,940
	69,351	96,834

15 Loans and overdrafts

	2023	2022
	£	£
Bank loans	574,653	586,535
Payable within one year	8,929	16,540
Payable after one year	565,724	569,995
Amounts included above which fall due after five years:		
Payable by instalments	511,408	498,171

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

15 Loans and overdrafts

(Continued)

The long-term loans are secured by fixed charges over the property The Emporium, Stockwell Head, Hinckley, Leicestershire, LE10 1RG.

16 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	15	8,929	16,540
Other taxation and social security		2,967	2,191
Trade creditors		4,977	22,669
Other creditors		12,267	14,003
Accruals and deferred income		7,952	9,095
		<u>37,092</u>	<u>64,498</u>

17 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	15	<u>565,724</u>	<u>569,995</u>

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 July 2021	Income	Expenditure	Balance at 1 July 2022	Income	Expenditure	Balance at 30 June 2023
	£	£	£	£	£	£	£
Building Better Opportunities (BBO)	(9,271)	98,285	(100,716)	(11,702)	-	-	(11,702)
Emmaus UK	100,000	-	(2,400)	97,600	-	(2,400)	95,200
Emmaus UK 2	-	-	-	-	7,500	(7,500)	-
HBBC Business Recovery	14,023	-	(14,023)	-	-	-	-
Leicestershire County Council	7,944	-	-	7,944	-	(319)	7,625
Lloyds Foundation	2,490	-	(2,490)	-	-	-	-
The Bailey Will Trust - Companion training & progression	11,137	-	(6,785)	4,352	-	(1,319)	3,033
The Bailey Will Trust - Property Purchase	10,000	-	(319)	9,681	-	-	9,681
Shires Community Grant	-	7,500	-	7,500	-	(7,500)	-
Barrat Development	-	1,000	(1,000)	-	-	-	-
Waitrose	-	900	(900)	-	-	-	-
Henry Smith	-	-	-	-	6,000	(6,000)	-
Rotary Club	-	-	-	-	250	-	250
	<u>136,323</u>	<u>107,685</u>	<u>(128,633)</u>	<u>115,375</u>	<u>13,750</u>	<u>(25,038)</u>	<u>104,087</u>

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds		Balance at 30 June 2023
	Balance at 1 July 2021	Income	Balance at 1 July 2022	Income	
	£	£	£	£	£
Pera Foundation	188,545	-	188,545	-	188,545
	<u>188,545</u>	<u>-</u>	<u>188,545</u>	<u>-</u>	<u>188,545</u>

20 Unrestricted funds

	Movement in funds			Movement in funds			Balance at 30 June 2023
	Balance at 1 July 2021	Income	Expenditure	Balance at 1 July 2022	Income	Expenditure	
	£	£	£	£	£	£	£
General Activities	317,284	467,238	(475,792)	308,730	425,480	(444,332)	289,878
	<u>317,284</u>	<u>467,238</u>	<u>(475,792)</u>	<u>308,730</u>	<u>425,480</u>	<u>(444,332)</u>	<u>289,878</u>

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

21	Analysis of net assets between funds	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total
		Funds 2023 £	funds 2023 £	Funds 2023 £	2023 £	Funds 2022 £	funds 2022 £	Funds 2022 £	2022 £
	Fund balances at 30 June 2023 are represented by:								
	Tangible assets	666,294	-	104,562	770,856	669,065	-	107,281	776,346
	Current assets/(liabilities)	189,308	188,545	(475)	377,378	209,660	188,545	8,094	406,299
	Long term liabilities	(565,724)	-	-	(565,724)	(569,995)	-	-	(569,995)
		<u>289,878</u>	<u>188,545</u>	<u>104,087</u>	<u>582,510</u>	<u>308,730</u>	<u>188,545</u>	<u>115,375</u>	<u>612,650</u>

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

22 Financial commitments, guarantees and contingent liabilities

A grant of £100,000 was received from Emmaus UK (a national charity which provides guidance and support for individual Emmaus communities such as Emmaus Leicestershire and Rutland) in 2021 and has been used to help purchase The Emporium, Stockwell Head, Hinckley, Leicestershire, LE10 1RG as the community accommodation. This grant becomes repayable if the building is sold within 10 years of the agreement dated 12 October 2020 or if Emmaus Leicestershire and Rutland ceases to be a member of Emmaus UK within the same timeframe. The potential contingent liability is £100,000 being the full grant provided.

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	52,000	56,392
Between two and five years	117,000	169,000
	<u>169,000</u>	<u>225,392</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>57,128</u>	<u>63,504</u>

EMMAUS LEICESTERSHIRE AND RUTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

25	Cash generated from operations	2023 £	2022 £
	Deficit for the year	(30,140)	(29,502)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(1)	(8)
	Depreciation and impairment of tangible fixed assets	5,490	6,409
	Movements in working capital:		
	Decrease/(increase) in debtors	27,483	(2,269)
	(Decrease)/increase in creditors	(19,795)	4,328
		<u> </u>	<u> </u>
	Cash absorbed by operations	(16,963)	(21,042)
		<u> </u>	<u> </u>