

Charity registration number 1128255

Company registration number 05976914 (England and Wales)

CANOPI FOUNDATION 1
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

CANOPI FOUNDATION 1

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Miles Donohoe (Chair) Russell Thompson Stuart Dawson Jyotsna Chandrani
Charity number	1128255
Company number	05976914
Registered office	Canopi 82 Tanner Street London SE1 3GN
Auditor	BK Plus Audit Limited Oakingham House Frederick Place High Wycombe Buckinghamshire HP11 1JU

CANOPI FOUNDATION 1

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CANOPI FOUNDATION 1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report and financial statements for the year ended 31 March 2025.

The Trustees (who are also directors of the Charitable Company for the purposes of the Companies Act) present their annual report together with the audited financial statements for the year to 31 March 2025. The Trustees confirm that the Annual Report and financial statements of the Charitable Company comply with the current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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). Since the Charitable Company qualifies as small under section 383, the Strategic Report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

FINANCIAL REVIEW

Canopi Foundation 1 recorded net income of £167,976 in the year. This is an increase from the net expenditure in the prior year of £54,353. This change is driven by the lack of intercompany receivable write off (2024: £312,635) in the year. There is an unrestricted deficit at the year-end of £1,002,215 (2024: £1,170,191).

RESERVES POLICY

The Trustees approved a Reserves Policy in 2012 and agreed to aim to maintain consolidated free reserves of £500,000 in cash or assets that are easily converted into cash. At 31 March 2025, the Group's cash or assets that are easily converted into cash were £6,064,390 (2024: £11,382,923).

Group reserves necessarily fell during the pandemic as Canopi Foundation worked to deal with the challenges brought on by the pandemic's financial pressures.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the Charitable Company is exposed, in particular those related to the operations and finances of the Charitable Company and are satisfied that systems and procedures are in place to mitigate the exposure to the major risks.

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

CONSTITUTION

Canopi Foundation 1 trades as Canopi and is a wholly owned subsidiary of Canopi Foundation.

Canopi Foundation is a Charitable Company limited by guarantee and is a Registered Charity. It is governed by its Memorandum and Articles of Association last amended on 3 August 2022.

Canopi Foundation has sole membership of Canopi Foundation 1.

The charitable objectives of Canopi Foundation 1 are:

- To promote and improve the efficiency and effectiveness of charities and voluntary groups, community groups and not-for-profit organisations by the provision and management for such organisations of office accommodation, conferences, training and other facilities, services and support
- To improve the efficiency of the administration of charities in direct pursuit of their objectives by the provision of training and information, particularly in the field of information technology; and
- Such other exclusively charitable purposes as the Trustees shall from time to time determine.

CANOPI FOUNDATION 1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

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

The Articles of Association stipulate that there must be a minimum of three Trustees and not more than seven Trustees. All Trustees must be members of the Charitable Company, additional Trustees may be appointed by the existing Trustees at any time, either to fill a casual vacancy or as an addition to the existing Trustees. Any Trustee so appointed will hold office only until the next Annual General Meeting and will then be eligible for re-election. One third of the Trustees are to retire by rotation at each Annual General Meeting.

No Trustees had a beneficial interest in contracts with the Charitable Company during the year.

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

- Stuart Dawson
- Miles Donohoe
- Matthew Sampson (resigned 30 May 2025)
- Russell Thompson
- Jyotsna Chandrani

INDUCTION AND TRAINING OF NEW TRUSTEES

The Charitable Company strives to ensure equal opportunities and diversity in both the employment of staff and Trustee appointments. Selection criteria and procedures are regularly reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

Trustees are given a comprehensive induction when they join the Charitable Company. Recruitment involves interviews with the Chair and existing Trustees.

Additionally, individual Trustees may undertake external training in a particular area of their role on the governing body.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees controls and manages the affairs of the Charitable Company. Leadership and operational management of Canopi are devolved to the Senior Management Team.

The Senior Management Team through this period, and at the time of writing this report, are:

- Clive Dove-Dixon - Chief Executive (Canopi Foundation - Group) (resigned 25th July 2025)
- Fiona Edwards - Director of Marketing and Communications (Canopi Foundation - Group)
- Chris Hazell - Director of Operations and Sales (Canopi)
- Maria Maros – Financial Director (Canopi Foundation - Group)

The Board of Trustees hold the Senior Management Team to account on key performance indicators as agreed between both parties, as well as monitoring the strategic direction.

OBJECTIVES AND ACTIVITIES

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 when reviewing our aims and objectives and in planning our future activities.

Canopi aims to provide affordable and flexible workspace for UK and International Charities and other Social Sector organisations. We support this activity by providing services and events for a like-minded community of people who all want to do good work and who benefit from working in this collaborative environment.

CANOPI FOUNDATION 1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE

Canopi's objectives at the end of the last year were:

Main focus - Make our new building in Tanner Street work

- We will be in a purpose designed space, set up to offer state-of-the-art facilities to the Social Sector. There will be a well-designed office area, with phone booths and meeting booths, plus a self-service café designed to help our customers meet and get to know each other. There will also be a wide range of meeting rooms and a 100-person conference and events space. It is through the latter particularly that we intend to reach out to the Sector and deliver on our added value services
- Our focus over the recent past has been on designing buildings, selling real estate, nursing along the worn-out Borough building, changing our offering post COVID. The new space represents a real change for us and so we need to focus on learning how to make it work and deliver our new business model

Eco-system

- Develop the model for this eco-system and start to deliver on key elements
- Build on the network of people who will use the events space, alongside the building-based community to create an eco-system of Social Sector customers

Governance review

- We plan to carry out a governance review, partly to follow up on the previous review, but also to recognise that the Foundation is in a different shape now that all the development plans have been carried out

Finance

- Now that we have completed our property development plan, our focus has to be on achieving operation break-even

Summary of main achievements:

PROPERTY - PORTFOLIO

Waterbridge House

- The sale of Waterbridge House was concluded and the building handed over to its new owners

Tanner Street

- We finalised the purchase of our new premises at 82 Tanner Street
- 82 Tanner St is the commercial unit at Arc House, an L&Q development in Southwark, close to London Bridge Station. It is 8 ½ years old, with office space for 300 staff from approximately 35 charities and social sector organisations. The property also has an event space which will allow events up to 100 delegates, with a 100-seat auditorium, flexible meeting rooms, a plenary area and catering facilities
- Plans for a refurbishment were drawn up by architects, Tate Hindle, and a design and build contractor, Claremont, was procured. Work then started on the refurbishment
- Refurbishment works were completed on the ground floor in September 2024 and the basement in March 2025

Borough

- We handed back our leased Borough building in December 2024

Handing back the Borough building completed the final step in our reorganisation of our property portfolio. We have reduced costs significantly with two wholly-owned properties remaining, 82 Tanner Street, and the nearby property at Jamaica Road, Bermondsey.

CANOPI FOUNDATION 1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Finances

The Charity and wider Social Sector has changed the way they use offices with a greater focus on quality, flexibility and increased use of meeting spaces. This has ensured the landscape is still challenging, but our move to new premises has allowed us to respond positively and end the year in a positive financial position:

- Costs have continued to be kept low
- The focus has been on maximising proceeds from the sale of Waterbridge House, and planning the new building to ensure it is attractive enough to achieve a high occupancy rate and also be efficient to manage, keeping operating costs as low as possible
- The proceeds from the sale of Waterbridge House will be retained for potential future developments

Operations

Planning for the move to our new building took up a significant amount of resource and time, but we successfully moved customers in at the beginning of November 2024.

Contractors completed the basement Events Space in March 2025 and we started taking bookings for Social Sector events shortly after.

Following the acceptance of the space, and completion of snagging, the focus has moved to ensuring smooth operation of our superb new facilities and ensuring a top notch customer experience.

Governance

We are waiting for approval of our updated articles.

PLANS FOR FUTURE DEVELOPMENTS

Canopi's objectives for the coming year are as follows:

Main focus

- Continue to develop the Canopi eco-system to really deliver on all of the added value services, over and above the provision of office accommodation

Finances

- Cement the surplus, and develop plans to invest in expansion

PUBLIC BENEFIT

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aim and objectives and in planning the Charitable Company's future activities. The aims of the Charitable Company for the public benefit are detailed in the 'Objectives and Activities' section of this report and the main activities undertaken in order to carry out the Charitable Company's aims for the public benefit are outlined under 'Achievements and Performance' above.

CANOPI FOUNDATION 1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Charitable Company carry out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Charitable Company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Charitable Company's Equal Opportunities Policy, the Charitable Company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charitable Company's offices.

THANK YOU

Many thanks to our customers, partners and staff who have supported us over the past year.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charitable Company's Auditors are aware of that information

Auditor

In accordance with the Charitable Company's articles, a resolution proposing that BK Plus Audit Limited, successor firm to Haines Watts High Wycombe Limited, be reappointed as auditor of the Charitable Company will be put at a General Meeting.

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



Miles Donohoe (Chair)

Dated: 30 / 09 / 2025

CANOPI FOUNDATION 1

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees, who are also the directors of Canopi Foundation 1 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 accounts for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that year.

In preparing these accounts, 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 accounting estimates that are reasonable and prudent; and
- State whether applicable UK accounting standards have been followed subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts 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 accounts 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.

Statement as to disclosure to our Auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant information, being information needed by the Auditor in connection with preparing their report, of which the Auditor is unaware, and
- The Trustees, having made enquires of fellow directors and the Auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as director in order to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

CANOPI FOUNDATION 1

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CANOPI FOUNDATION 1

Opinion

We have audited the financial statements of Canopi Foundation 1 (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

CANOPI FOUNDATION 1

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CANOPI FOUNDATION 1

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to the extent to which the audit was considered capable of detecting irregularities, including fraud

From the preliminary stage of the audit, we ensure our understanding of the entity is up to date. This includes, but is not limited to, current knowledge of their activities, the business and control environments, and their compliance with the applicable legal and regulatory frameworks. This information supports our risk identification and the subsequent design of audit procedures to mitigate those risks; ensuring that the audit evidence obtained is sufficient and appropriate to support our opinion.

In response to the risks identified, specific to this entity, we designed procedures which included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance, if available;
- Reviewing financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business.

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

CANOPI FOUNDATION 1

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CANOPI FOUNDATION 1

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.



David Hynes (Senior Statutory Auditor)
For and on behalf of BK Plus Audit Limited

.....30/09/2025

Statutory Auditor

Oakingham House
Frederick Place
High Wycombe
HP11 1JU

CANOPI FOUNDATION 1

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
<u>Income and endowments from:</u>			
Trading income	3	1,715,181	2,220,215
Investments	4	2,216	2,136
Other income	5	14,245	28,588
Total income		1,731,642	2,250,939
<u>Expenditure on:</u>			
Charitable activities	6	1,563,666	1,992,657
Net income for the year/ Net incoming resources		167,976	258,282
Other recognised gains and losses			
Exceptional item	10	-	(312,635)
Net movement in funds		167,976	(54,353)
Fund balances at 1 April 2024		(1,170,191)	(1,115,838)
Fund balances at 31 March 2025		(1,002,215)	(1,170,191)

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.

CANOPI FOUNDATION 1

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	11		10,265		87,682
Current assets					
Debtors	12	199,605		422,928	
Cash at bank and in hand		526,161		142,703	
		<u>725,766</u>		<u>565,631</u>	
Creditors: amounts falling due within one year	13	<u>(1,738,246)</u>		<u>(1,823,504)</u>	
Net current liabilities			(1,012,480)		(1,257,873)
Total assets less current liabilities			<u>(1,002,215)</u>		<u>(1,170,191)</u>
Income funds					
Unrestricted funds			(1,002,215)		(1,170,191)
			<u>(1,002,215)</u>		<u>(1,170,191)</u>

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

The financial statements were approved by the Trustees on 30 / 09 / 2025



Miles Donohoe (Chair)
Trustee

Company Registration No. 05976914

CANOPI FOUNDATION 1

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	17		388,347		(274,262)
Investing activities					
Purchase of tangible fixed assets		(7,105)		(9,130)	
Interest received		2,216		2,136	
Net cash used in investing activities			(4,889)		(6,994)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			383,458		(281,256)
Cash and cash equivalents at beginning of year			142,703		423,959
Cash and cash equivalents at end of year			<u>526,161</u>		<u>142,703</u>

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Canopi Foundation 1 is a private company limited by guarantee incorporated in England and Wales. The registered office is Canopi, 82 Tanner Street, London, SE1 3GN.

The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Articles of Association, 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 2016). 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. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts. Integral to this assessment is the continuing support of the members for at least 12 months from the date of the financial statements being signed. The parent company, Canopi Foundation, confirmed that it will support the charity for a period of 12 months from these financial statements being signed. No material uncertainties surrounding going concern exist.

1.3 Charitable funds

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

1.4 Incoming resources

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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Resources expended

Liabilities are recognised as resources expended where there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and includes, where applicable, value added tax where this is irrecoverable.

Cost of generating funds are those included in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Governance costs are the costs associated with the governance arrangements of the charity that relate to the general running of the charity, as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic, as opposed to the day-to-day, management of the charity's activities.

Support costs, which include central office functions such as general management, payroll administration, budgeting and accounting, information technology and financing are allocated across the categories of charitable expenditure, governance costs and costs of generating funds. These costs are apportioned on the basis of an estimate by the Board of the time spent.

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:

Leasehold improvements	Over the period of the lease
Plant and equipment	10% straight line
Fixtures and fittings	20% straight line
Computers	25% straight line

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

1.7 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).

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

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

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

Basic financial assets

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

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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.

1.10 Taxation

Canopi Foundation 1 is a registered charity and has no liability to corporation tax on their charitable activities.

1.11 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.

1.12 Leases

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

2 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.

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

3 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Non-charitable trading activities	1,712,224	2,210,258
Other income	2,957	9,957
	<u>1,715,181</u>	<u>2,220,215</u>

4 Investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	<u>2,216</u>	<u>2,136</u>

5 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Rental income	<u>14,245</u>	<u>28,588</u>

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

6 Charitable activities

	2025 £	2024 £
Staff costs	176,771	185,514
Other staff costs	1,371	5,941
Interest and charges	397	626
Printing, postage and stationery	73,596	101,576
Rent and rates	920,002	1,376,580
Premises expenses	240,961	183,072
Communication services	61,846	55,553
Depreciation of improvements	78,140	77,324
Depreciation of fixtures and fittings	96	-
Depreciation of IT equipment	6,286	5,830
Bad and doubtful debt	-	1,529
Sundry expenses	-	612
	<u>1,559,466</u>	<u>1,994,157</u>
Share of governance costs (see note 7)	4,200	(1,500)
	<u>1,563,666</u>	<u>1,992,657</u>

7 Support costs

	Support costs £	Governance costs £	2025 £	Support costs £	Governance costs £	2024 £
Audit fees	-	4,200	4,200	-	(1,500)	(1,500)
	<u>-</u>	<u>4,200</u>	<u>4,200</u>	<u>-</u>	<u>(1,500)</u>	<u>(1,500)</u>
Charitable activities	-	4,200	4,200	-	(1,500)	(1,500)
	<u>-</u>	<u>4,200</u>	<u>4,200</u>	<u>-</u>	<u>(1,500)</u>	<u>(1,500)</u>

The fees payable to the Charitable Company's auditor for the year total £4,200 (2024: £4,000).

In the prior year, a historical over-accrual of audit fees of £5,500 was reversed, resulting in a net credit to the income and expenditure account of £1,500.

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

9 Taxation

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

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

10 Exceptional item

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Exceptional item	-	312,635

The exceptional item in the prior year above is a write back of intercompany loans with Canopi Foundation 2, a fellow group member.

11 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2024	808,182	149,264	495,669	252,861	1,705,976
Additions	-	-	5,762	1,343	7,105
At 31 March 2025	808,182	149,264	501,431	254,204	1,713,081
Depreciation and impairment					
At 1 April 2024	729,907	149,264	495,669	243,454	1,618,294
Depreciation charged in the year	78,140	-	96	6,286	84,522
At 31 March 2025	808,047	149,264	495,765	249,740	1,702,816
Carrying amount					
At 31 March 2025	135	-	5,666	4,464	10,265
At 31 March 2024	78,275	-	-	9,407	87,682

12 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	69,832	69,071
Amounts owed by fellow group undertakings	-	127,918
Other debtors	1,135	23,059
Prepayments and accrued income	128,638	202,880
	199,605	422,928

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

13 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	65,057	-
Trade creditors	128,864	191,014
Amounts owed to fellow group undertakings	811,081	10,923
Other creditors	634,233	772,933
Accruals and deferred income	99,011	848,634
	<u>1,738,246</u>	<u>1,823,504</u>

14 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:

	2025 £	2024 £
Within one year	-	466,812

15 Related party transactions

The charitable company has taken advantage of the exemptions in FRS 102 "Related Party Disclosures" from the requirements to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

16 Control

Throughout the period, Canopi Foundation 1 was ultimately controlled by the parent undertaking, Canopi Foundation, a Charitable Company incorporated in England and Wales (Company Number: 03635124, Charity Number: 1075749).

Canopi Foundation's principal purpose is to provide serviced offices and training for the Social Sector.

Canopi Foundation controls the Charitable Company by virtue of being its sole member.

The Charitable Company is included in the consolidated financial statements of Canopi Foundation. These can be obtained from <https://find-and-update.company-information.service.gov.uk/company/03635124/filing-history>.

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

17	Cash generated from operations	2025	2024
		£	£
	Surplus for the year	167,976	258,282
	Adjustments for:		
	Investment income recognised in statement of financial activities	(2,216)	(2,136)
	Exceptional item	-	(312,635)
	Depreciation and impairment of tangible fixed assets	84,522	83,154
	Movements in working capital:		
	Decrease in debtors	223,323	239,178
	(Decrease) in creditors	(85,258)	(540,105)
	Cash generated from/(absorbed by) operations	<u><u>388,347</u></u>	<u><u>(274,262)</u></u>

