

**CANAAN TRUST**

**(A Company Limited by Guarantee)**

**UNAUDITED REPORT AND  
FINANCIAL STATEMENTS**

**for the Year Ended 31 March 2021**

**Charity Number 1105657  
Company Number 05169595**

**Canaan Trust**  
**(A Company Limited by Guarantee)**

**Report of the Trustees for the year ended 31 March 2021**

The Trustees are pleased to present their annual Director's Report together with the financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a Director's Report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and 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 Standard in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Chairs' Report**

The past year has been dominated by the Covid pandemic. Financially all our regular fundraising activities were cancelled which could have had disastrous consequences, however Kevin Curtis, our manager, performed amazingly in researching, identifying and applying for every possible grant on offer from Central Government, Local Authorities and the Business Community. This has resulted in our income being very similar to previous years.

Very strict protocols have been in place with both houses being in lockdown. A physical barrier was put in place across the door of Jordan House to ensure social distancing from any caller. Visitors were not allowed in. Staff were split into two separate teams on site at different times so that if a case of Covid was identified only half the staff needed to isolate. Regular testing of staff and clients took place. Strict cleaning regimes were maintained. Despite these efforts there was one occasion when two members of staff tested positive and Jordan House had to be closed for 10 days. Some clients found alternative accommodation with friends, those that couldn't were housed at the Novotel in Long Eaton, at a specially negotiated rate. Volunteers kept in contact with them, delivering food parcels and ensuring their needs were met. The phones were diverted to the manager's mobile number so all requests for help were still met.

All Trustee meetings were held on Zoom.

The Trustees wish to place on record their very grateful thanks to all the staff for their amazing response to such challenging circumstances. They have all gone "over and above" to ensure clients are kept safe and their needs continue to be met.

As regulations are relaxed I can report that all staff have been vaccinated and all resident clients offered at least one jab. Efforts do continue to keep the Trust Covid secure.

We look forward to being able to return to "normal" and pursue our plans to expand the work of the Trust to meet what is inevitably going to be a growing demand on our services.

**Objects and Activities**

The objectives of the charity are the relief of poverty, the advancement of education and the provision of a planned programme of high quality housing related services.

The Trustees have recognised that the wording of the Memorandum and Articles originally adopted do not adequately reflect the work and ethos of the Trust. However, as an Incorporated Charity it is not possible to change the original statement. The Trustees, in consultation with the manager and assistant manager, have adopted an Ethos Statement which we believe sets out in clearer terms the aims and objectives we are working to.

The charity enables and assists vulnerable homeless individuals to establish and maintain greater independence in the community. The charity will provide or assist in the provision of any other facilities, deemed in law, to be exclusively charitable for residents in the Borough of Erewash in the County of Derbyshire and its surrounding boroughs and counties.

Motivated by its Christian ethic, the charity seeks to provide its services fairly, inclusively and diversely to each and every individual who might benefit, while fostering public awareness of homelessness in the community.

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**Report of the Trustees for the year ended 31 March 2021 - Continued**

**Achievements and Performance**

The greatest achievement is survival! This has been the most challenging of years, so many plans have simply been put on hold and all efforts directed at keeping staff and clients safe, however other achievements can be reported.

The work of the Trust in Erewash has been recognised by the receipt of the Mayor of Erewash Award.

Over the last few years the work of the Trust has developed in supporting many more clients in the community. It is estimated that this work now takes 50% of staff time. We are seeing families escaping Domestic Violence, those threatened with redundancy, those furloughed who have 80% of income. These clients have all been helped directly, or indirectly by being signposted to other relevant agencies.

Between 60 and 80 food parcels are distributed each week but additionally this year a special effort was made at Christmas. The usual Christmas Dinner in the Community could not take place so sponsorship was sought from local organisations to put together parcels of food and gifts. Approximately 200 individuals and families received them and the Trustees are very grateful to those who donated and those who volunteered to put the parcels together.

Last year we reported that Dean Anderson had written a book on the origins of the Trust and was donating proceeds from the first print run. As lockdown eased these proceeds were used to replace carpets and curtains in the residents' rooms.

The CCTV systems at Jordan House and Cranmer Street have been upgraded.

The roof of the Manna has been repaired.

The HMO licence has been renewed.

All staff attended a First Aid at Work course under Covid secure conditions.

Despite the usual fundraisers being cancelled many individuals have continued to give financial support either by regular donations or undertaking special challenges. We give huge thanks to all those who support us so well.

**Public Benefit**

Our charitable activities focus not just on the street homeless but also the "hidden homeless" who may be sofa surfing with friends and those threatened with homelessness for whatever reason. Those who are referred to us by local authorities often have a number of issues such as a history of alcohol/drug abuse, offending, learning difficulties, low self esteem. These issues are addressed by providing individual programmes of support, including counselling, and education on a wide range of life skills to equip the clients for independent living as well as support in dealing with external agencies.

Those in the community who arrive at our door often need short term help and advice to overcome a specific issue.

The Trust seeks to embed fair access, fair exit, diversity and inclusion within the culture and performance of its service. All equality and diversity policies and procedures are designed to proactively fulfil the requirements of the current legislation.

Equal access to our services is an important issue for us. We have a constant monitoring process to ensure entry to the project is not discriminatory by disability, religious belief or sexual orientation.

The trustees confirm that they have complied with their duties under section 17 of the 2011 Charities Act with regard to Public Benefit.

**Canaan Trust**  
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**Trustees' Report for the Year Ended 31 March 2021 - Continued**

**Financial Review**

The attached financial statements show the current state of the finances. The company had incoming resources during the year of £364,234.

The company's revenue reserve unrestricted fund balance is a surplus of £784,505 at 31 March 2021 which is substantially held as property. The company's unrestricted surplus for the year totalled £74,501.

The principal funding sources of rental income from Housing Benefit, together with donations have been used to support the key objectives in achieving the performance as described above.

**Investment Powers of Trust**

To invest trust money in the purchase of or at interest on the security of such stocks funds shares securities or other investments or property of whatever nature and wherever situated as the Trustees in their absolute discretion think fit to the intent that the Trustees shall have the same full and unrestricted powers of investing and transposing investments as if they were beneficially entitled to the Trust Fund.

**Grant Making Policy**

At the discretion of the board of Trustees, they may from time to time make donations to other charities which have the same objectives as the Trust. During the year the charity continued to donate regular donations to 'Footprints Orphanage', a charity with similar charitable aims, of which Kevin Curtis, Manager of the Charity, is Trustee.

**Fundraising Activities**

A variety of activities take place to raise funds for the Charity. All of these funds are used for charitable purposes. The trustees are grateful for all help offered during the year on a voluntary basis.

**Reserves Policy**

As at 31 March 2021 the total funds of the Trust were £784,505, a substantial amount of this being represented by fixed assets.

The Directors recognise that:-

- a) the Trust's charitable activities are such as to require a significant investment in fixed assets;
- b) the Directors have identified opportunities for refurbishment of buildings and/or for extension of its operations, and funds raised for these purposes are likely to be restricted funds.
- c) The Trust's ordinary income, excluding funds generated from charitable giving, below normal operational expenditure.

The Directors have adopted a policy that unrestricted funds not committed and held by the charity should cover, in the event of being wound up due to lack of funding, sufficient funds to pay current notice and redundancy entitlement and the equivalent of 3 months' running costs. The Directors estimate that £80,000 should be set aside for this purpose.

In addition to this, it is the Directors' intention to hold sufficient funds in reserve to ensure the continuation of current activities for a period of 12 months in the event of a significant drop in charitable or other income to enable appropriate cost reduction measures to be put in place.

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**Trustees' Report for the Year Ended 31 March 2021 - Continued**

**Future Plans**

All plans depend on having the financial resources to implement them. To this end the Trustees will continue to work with the management to identify sufficient revenue streams to ensure such plans can be brought to fruition.

**Short Term**

We will employ additional staff to respond to the increase in community work.

We will explore partnerships with other local groups, e.g. Bundles of Hope, to improve the support given to individuals and give a town centre presence.

We will continue to develop skills and structures to ensure smooth management progression.

We will continue our search to identify individuals interested in joining the Trustees.

**Long Term**

If suitable premises should become available we will consider expanding our property portfolio to meet identified needs.

We will monitor staffing levels to ensure the needs of clients are met.

We will continue to identify partnerships

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**Report of the Trustees for the Year Ended 31 March 2021**

**Reference and Administrative Information**

<b>CHARITY NAME:</b>	Canaan Trust
<b>CHARITY REGISTRATION NUMBER:</b>	1105657
<b>COMPANY REGISTRATION NUMBER:</b>	5169595
<b>REGISTERED OFFICE:</b>	Cliffe Hill House 22-26 Nottingham Road Stapleford Nottingham NG9 8AA
<b>OPERATIONAL ADDRESS:</b>	Jordan House 14 Main Street Long Eaton Nottingham NG10 1GR
<b>PATRONS:</b>	Andrew James
<b>TRUSTEES OF THE CHARITY AND DIRECTORS OF THE COMPANY:</b>	Mrs D Ross (Treasurer) Mr D Gee (chair) Mr T J Broad Mr A Goulden Mr T Jones Mrs T Hopkins
<b>PROJECT MANAGER:</b> (Responsible for day to day running of project)	Kevin Curtis
<b>ASSISTANT MANAGER:</b>	Kate Bassford
<b>COMPANY SECRETARY:</b>	Not Appointed
<b>INDEPENDENT EXAMINER:</b>	D J Lockwood FCA, FCCA ATT(Fellow) Chartered Accountant Haines Watts Nottingham Limited Cliffe Hill House 22 – 26 Nottingham Road Stapleford Nottingham NG9 8AA
<b>BANKERS:</b>	The Co-operative Bank PLC 4 – 5 Exchange Walk Nottingham NG1 2NX  Barclays Bank PLC
<b>SOLICITORS:</b>	Ellis-Fermor Negus 35 Derby Road Long Eaton Nottingham NG10 1LU
<b>WEBSITE:</b>	<a href="http://www.canaan-trust.co.uk">www.canaan-trust.co.uk</a>

**Canaan Trust**  
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**Trustees' Report for the Year Ended 31 March 2021**

**Structure, Governance and Management**

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 2 July 2004 and registered as a charity on 27 August 2004. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound-up members are required to contribute an amount not exceeding £10.

Recruitment and Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as the Board of Directors. Under the requirements of the Memorandum and Articles of Association one third of the members of the Board of Directors are required to retire from office annually. The Directors to retire by rotation shall be those who have been longest in office since their last appointment. The Trustees appointed represent a number of churches and dominations within the locality.

Formation

Canaan Trust formally commenced operation on the 1 April 2005 when all assets and the operations of The Aspire Trust were transferred to the Canaan Trust by a deed of gift and staff were transferred under TUPE.

Trustee Induction and Training

Any new trustee undergoes an induction process to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making process, the business plan and the recent financial performance of the Charity. During this induction they meet key employees and other trustees. All trustees are actively encouraged to attend appropriate training events that will facilitate the undertaking of their role within the charity.

Risk Management

The Board of Directors has conducted a review of the major risks to which the charity is exposed. A risk register has been established and will be updated annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The Trust has appointed external advisers for Health and Safety, Human Resources and Information Technology to ensure compliance with current legislation and provide expert advice. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the project. Monthly reports are produced to monitor Income and Expenditure enabling steps to be taken early to lessen risk. Internal risks are minimised by the implementation of procedures for authorisation of all transactions by at least 2 trustees or 1 trustee and the treasurer. The Treasurer and Project Manager monitor all cash transactions and limits are set for monthly amounts of expenditure.

The Directors monitor the threshold for the guarantee of funds in bank accounts and ensure our reserves are allocated to different accounts to ensure there is no risk to them.

**Canaan Trust**  
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**Trustees' Report for the Year Ended 31 March 2021 - Continued**

Organisational Structure

Canaan Trust has a Board of Directors which meets monthly and is responsible for the strategic direction and policy of the charity. At present the Committee has six members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the project manager Mr Kevin Curtis. He is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Manager has responsibility for the day to day operational management of the Project, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

**Responsibilities of the Trustees**

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the management committee should follow best practice and:

- State whether applicable UK accounting standards have been followed; subject to any material departures disclosed and explained in the financial statements.
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.
- Observe the methods and principles in the Charities SORP.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board of Directors is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

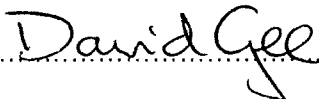
Members of the Management Committee

Members of the Board of Directors who are also trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 5.

Members of the Charitable Company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2021 was 6 (2020 – 6).

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities in accordance with the Special Provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Directors on (29/9/2021) and signed on its behalf by:

Signature .....  ..... Mr D Gee (Director and Chair of Board of Trustees)



**Canaan Trust**  
**(A Company Limited by Guarantee)**  
**Company Number: 05169595**

**Independent Examiner's Report to the Trustees of Canaan Trust**

I report on the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021.

**Responsibilities and Basis of Report**

As the charity's trustees of the Company (and also its directors for the purpose of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company 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 your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent Examiner's Statement**

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:-

- 1) Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2) The accounts do not accord with those records; or
- 3) The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirements that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4) The accounts 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 (FRS102)).

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 accounts to be reached.

D. J. Lockwood  
D J Lockwood FCA, FCCA, ATT(Fellow)  
Chartered Accountant

Dated 4.10.2021

Haines Watts Nottingham Limited  
Cliffe Hill House  
22-26 Nottingham Road  
Stapleford  
Nottingham  
NG9 8AA

**Canaan Trust**  
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**Statement of Financial Activities (including Income and Expenditure Account)**  
**For the year ended 31 March 2021**

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
<b>Income</b>							
<b>Donations and Legacies</b>	2a	99,278	-	99,278	97,550	32,144	129,694
<b>COVID Support</b>	2b	35,000	-	35,000	-	-	-
<b>Investment Income</b>		1,457	-	1,457	1,146	-	1,146
<b>Income from charitable activities:</b>	3						
Rent & Utilities		175,580	-	175,580	191,418	-	191,418
Fundraising		52,861	-	52,861	3,148	-	3,148
Other Income		58	-	58	14	-	14
<b>Total Incoming Resources</b>		<u>364,234</u>	<u>-</u>	<u>364,234</u>	<u>293,276</u>	<u>32,144</u>	<u>325,420</u>
<b>Expenditure</b>							
Raising Funds	4	6,674	-	6,674	6,599	-	6,599
Charitable activities	4	271,493	17,404	288,897	247,680	17,740	265,420
Support Costs	4	11,566	-	11,566	29,165	-	29,165
<b>Total Expenditure</b>		<u>289,733</u>	<u>17,404</u>	<u>307,137</u>	<u>283,444</u>	<u>17,740</u>	<u>301,184</u>
<b>Net income/expenditure and net movement in fund</b>		74,501	(17,404)	57,097	9,832	14,404	24,236
<b>Reconciliation of funds</b>							
<b>Total fund balances brought forward 1 April 2020</b>	17	<u>710,004</u>	<u>17,404</u>	<u>727,408</u>	<u>700,172</u>	<u>3,000</u>	<u>703,172</u>
<b>Total fund balances carried forward 31 March 2021</b>	17	<u>784,505</u>	<u>-</u>	<u>784,505</u>	<u>710,004</u>	<u>17,404</u>	<u>727,408</u>

The statement of financial activities includes all gains and losses in the year.  
All incoming resources and resources expended derive from continuing activities.

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**Balance Sheet as at 31 March 2021**

	Notes	£	2021	£	£	2020	£
<b>Fixed Assets</b>							
Tangible Assets	9			510,555			515,401
<b>Current Assets</b>							
Debtors	14		11,356			12,268	
Cash at bank and in hand			280,209			210,183	
			<u>291,565</u>			<u>222,451</u>	
Creditors: amounts falling due within one year.	15		<u>17,615</u>			<u>10,444</u>	
<b>Net Current Assets/(Liabilities)</b>				273,950			212,007
<b>Net Assets</b>				<u>784,505</u>			<u>727,408</u>
<b>Unrestricted funds</b>							
General Funds - General Purposes	17			624,505			710,004
Designated Fund – expansion of Canaan Trust ministry				160,000			-
<b>Restricted Funds</b>	17			-			17,404
<b>Total Charity Funds</b>	16			<u>784,505</u>			<u>727,408</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ending 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- Ensuring the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006, and
- Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements, so far as applicable to the company.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Directors on 29/9/21 and signed on its behalf by: .....

Mrs D Ross Treasurer and Trustee/Director Diana Ross

Mr D Gee, Chairman of Directors and Trustee/Director David Gee

**Canaan Trust**  
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**Notes forming part of the Financial Statements for the Year Ended 31 March 2021**

**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:-

**(a) Basis of preparation and assessment of going concern**

The financial statements have been in accordance with the 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 (FRS102) (issued 1<sup>st</sup> January 2019) – (Charities SORP FRS102). The Financial Reporting Standard applicable in UK and Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The charity constitutes a public benefit entity as defined by FRS102.

**Going Concern**

The trustees' consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The funds of the charity are considered sufficient to sustain the charity during the current pandemic.

The accounts are presented in Sterling £1.

**Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. 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.
- Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Interest receivable – Interest on funds held on deposit is included when receivable and the amount can be received reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.
- Legacies are accounted for on a receivable basis when the following conditions have been met.
  - The final estate accounts have been approved
  - The legacy is capable of measurement; and
  - There is no reversionary interest

**Canaan Trust**  
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**Notes forming part of the Financial Statements for the Year Ended 31 March 2021 - Continued**

**Resources expended**

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 grants income and donations.
- 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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- 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.
- Allocation of Support Costs – Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 4.
- Operating Leases – The charity classifies the lease of photocopiers and mobile phones as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

**Tangible Fixed Assets**

All fixed assets are capitalised at cost, where considered appropriate to capitalise. Those purchased by specific gifts and grants have been written off fully in the year of gift.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixture, Fitting and Equipment	-	20% reducing balance
Property	-	No charge for depreciation
Office Equipment	-	25% on cost

No depreciation is charged on land and buildings as the residual value is believed to be higher than historical cost.

**Pensions**

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. Contributions payable for the year are shown in the statement of financial activities.

**Debtors**

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

**Creditors**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

**Canaan Trust**  
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**Notes forming part of the Financial Statements for the Year Ended 31 March 2021 - Continued**

**Financial Instruments**

The Charity 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

**Taxation**

The Charity is exempt from tax on its charitable activities. The Charity also rents its rooms to other local children's activities which satisfy the objectives of the Charity. The Trustees have reviewed the Charity's trading activities and are confident that they further the Charity's aims and, as such, are considered to be primary purpose trading.

**Judgement and Key Sources of Estimation Uncertainty**

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

**Fund Balances**

**Unrestricted Funds**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the Charity without further specified purpose and are available as general funds.

**Designated funds**

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

**Restricted Funds**

Restricted funds are to be used for specific purposes as laid down by the donor and are subjected to restrictions of their expenditure imposed by the donor or through the terms of an appeal.

**Legal Status of the Trust**

The Trust is a company limited by guarantee and has no share capital: the liability of each member in the event of winding up is limited to £10.

**Canaan Trust**  
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**Notes forming part of the Financial Statements for the Year Ended 31 March 2021 - Continued**

**2a. Donations and Legacies**

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Roy Theobald Trust	-	-	-	17,000
The Sage Trust	2,000	-	2,000	1,000
Puddle Lane Trust	-	-	-	6,000
Breaston PPCC	2,000	-	2,000	2,000
Erewash Borough Council - small grant	1,000	-	1,000	-
Derbyshire Community Community Concern	9,300 -	- -	9,300 -	- 2,600
EVA	2,000	-	2,000	-
Morison Foundation	3,000	-	3,000	-
EMH Homes	-	-	-	2,167
CPD Trust	-	-	-	9,144
Trent Parents Association	-	-	-	2,000
Alplat Foundation	3,000	-	3,000	-
Long Eaton United	5,000	-	5,000	-
General Donations (including Gift Aid)	71,978	-	71,978	87,783
	99,278	-	99,278	129,694

**2b. COVID Support**

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Erewash Borough Council	20,000	-	20,000	-
CAF Resilience Fund	15,000	-	15,000	-
	35,000	-	35,000	-

**3. Income from Charitable Activities**

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Utility Income	6,977	-	6,977	10,355
Rent				
Housing Benefit	168,603	-	168,603	181,063
	175,580	-	175,580	191,418

Trustee giving during the year totalled £150 (2020: £252).

**Canaan Trust**  
(A Company Limited by Guarantee)

**Notes forming part of the Financial Statements for the Year Ended 31 March 2021 - Continued**

**4. Expenditure**

	<b>Basis of Allocation</b>	<b>Raising Funds</b>	<b>Rental income and grant income</b>	<b>Support Costs</b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>Costs directly allocated to activities</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff Costs	Direct	-	205,826	2,079	207,905	203,279
Rent, Rates and Water	Usage	-	8,440	-	8,440	4,154
Heat, Light, Power	Usage	-	7,683	-	7,683	7,948
Travel and Staff Expenses	Direct	-	2,403	21	2,424	3,016
Insurance	Direct	-	3,886	-	3,886	3,787
Cleaning/Housekeeping	Direct	-	4,248	472	4,720	5,315
Residents Expenses	Direct	-	13,129	-	13,129	6,607
Training Costs	Direct	-	1,494	-	1,494	5,333
Property Maintenance	Direct	-	10,423	-	10,423	17,725
Healthy Living costs	Direct	-	897	-	897	1,446
Consultancy Fees	Direct	-	7,437	-	7,437	5,531
Professional Fees	Direct	-	-	-	-	-
		-	265,866	2,572	268,438	264,141
<b>Support costs allocated to activities</b>						
Fundraising Costs		661	-	-	661	1,417
Stationery, photocopier and office costs	Usage	848	1,697	848	3,393	4,664
Office Equipment and Maintenance Costs	Usage	2,474	4,951	2,474	9,899	5,011
Computer Expenses	Usage	2,239	4,477	2,239	8,955	9,167
Telephone, Mobile and Broadband	Usage	222	3,331	888	4,441	4,500
Sundry Expenses	Usage	115	57	116	288	327
Charitable Giving	Direct	-	2,100	-	2,100	2,300
Bank Charges	Usage	115	115	114	344	345
Accounting and Payroll	Direct	-	3,395	377	3,772	4,352
Depreciation	Usage	-	2,908	1,938	4,846	4,960
		6,674	23,031	8,994	38,699	37,043
<b>Total Resources Expended</b>		6,674	288,897	11,566	307,137	301,184



**Canaan Trust**  
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**Notes forming part of the Financial Statements for the Year Ended 31 March 2021 - Continued**

**5. Net Incoming Resources for the year**

This is stated after charging

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation	4,846	4,960
Reporting Accountants Fee	2,040	2,789
Payroll Preparation Fees	1,732	1,563

**6. Staff Costs and Numbers**

	<b>£</b>	<b>£</b>
Salaries	190,542	182,868
Pension Costs	7,204	9,350
Employers National Insurance	10,159	11,061
	<u>207,905</u>	<u>203,279</u>

Average number of paid full and part time employees in the year	16	14
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The cost of one employee is partly charged to support costs. The others are included in charitable activities. (note 4)

No employee received emoluments of more than £ 60,000 in the year.

Total remuneration of key management personnel in the year was £70,953 (2020: £66,735).

**7. Trustee Remuneration and Related Party Transactions**

No emoluments were received by the Trustees either in their capacities as Trustees or as members of the Board of Trustees. There were no other emoluments or expenses paid to any other Charity trustee, or persons connected with such a trustee directly or indirectly from the funds of the Charity or from the property of any body connected with the Charity. There are no other related party transactions.

**8. Taxation**

As a Charity, Canaan Trust is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

**Canaan Trust**  
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**Notes forming part of the Financial Statements for the Year Ended 31 March 2021 - Continued**

**9. Tangible Fixed Assets**

	<b>Land and Buildings £</b>	<b>Office Equipment £</b>	<b>Fixtures and Equipment £</b>	<b>Van £</b>	<b>Total £</b>
<b>Cost</b>					
Brought forward	500,852	5,796	21,702	17,779	546,129
Additions	-	-	-	-	-
At 31 March 2021	<u>500,852</u>	<u>5,796</u>	<u>21,702</u>	<u>17,779</u>	<u>546,129</u>
<b>Depreciation</b>					
Brought forward	-	5,597	20,687	4,444	30,728
Charge for the year	-	199	203	4,444	4,846
At 31 March 2021	<u>-</u>	<u>5,796</u>	<u>20,890</u>	<u>8,888</u>	<u>35,574</u>
<b>Net Book Value</b>					
At 31 March 2020	<u>500,852</u>	<u>199</u>	<u>1,015</u>	<u>13,335</u>	<u>515,401</u>
At 31 March 2021	<u>500,852</u>	<u>-</u>	<u>812</u>	<u>8,891</u>	<u>510,555</u>

There were no tangible assets donated during the year that were capitalised and all assets are held for the furtherance of the Charity's objectives.

**10. Financial Commitments**

The Charity has the following commitments:

- An annual commitment to pay a photocopier and printer lease. The annual lease charge payable is £971.68.
- A commitment to the current insurance company for premiums of at least £3,644 per annum until April 2022.

**11. Pension Commitments**

The Charity operates a defined contribution pension scheme administered by Standard Life. The assets are held separate from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £7,204 (2020: £9,350).

**12. Donations paid during the year were as follows:-**

	<b>£ 2021</b>	<b>£ 2020</b>
Rapid Relief Team	-	200
Footprints	2,100	2,100
	<u>2,100</u>	<u>2,300</u>

**13. Negligence Insurance**

The Charity hold Trustee Indemnity Insurance and paid a premium of £329 during the year which provides cover of up to £250,000.

**Canaan Trust**  
**(A Company Limited by Guarantee)**

**Notes forming part of the Financial Statements for the Year Ended 31 March 2021 (Continued)**

**14. Debtors**

	2021	2020
	£	£
Trade Debtors	6,654	6,424
Other Debtors and Prepayments	4,702	5,844
	<u>11,356</u>	<u>12,268</u>

**15. Creditors: Amounts falling due in one year**

	2021	2020
	£	£
Trade Creditors	2,963	2,926
Taxation and Social Security	4,316	3,116
Other Creditors and Accruals	10,336	4,402
	<u>17,615</u>	<u>10,444</u>

Previously the Bank held security for the loan in the form of first and only legal charge over Jordan House, 14 Main Street, and a charge over all unfixed plant, machinery and other assets and equipment at the property.

**16. Analysis of Net Assets between funds**  
**Year Ended 31 March 2021**

	General Fund £	Restricted Fund £	Total Funds 2021 £	Total 2020 £
Tangible Fixed Assets	510,555	-	510,555	515,401
Current Assets	291,565	-	291,565	222,451
Current Liabilities	(17,615)	-	(17,615)	(10,444)
Net Assets at 31 March 2021	<u>784,505</u>	<u>-</u>	<u>784,505</u>	<u>727,408</u>

**Year Ended 31 March 2020**

	General Fund £	Restricted Fund £	Total Funds 2020 £	Total 2019 £
Tangible Fixed Assets	515,401	-	515,401	502,588
Current Assets	205,047	17,404	222,451	210,287
Current Liabilities	(10,444)	-	(10,444)	(9,703)
Net Assets at 31 March 2020	<u>710,004</u>	<u>17,404</u>	<u>727,408</u>	<u>703,172</u>

**Canaan Trust**  
(A Company Limited by Guarantee)

**Notes forming part of the Financial Statements for the Year Ended 31 March 2021 (Continued)**

**17. Movements in Funds**  
**Year Ended 31 March 2021**

	At 1 April 2020 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2021 £
<b><u>Restricted funds</u></b>	17,404	-	17,404	-	-
<b><u>Unrestricted funds</u></b>	710,004	364,234	289,733	-	784,505
<b>General Fund</b>	727,408	364,234	307,137	-	784,505

**Year Ended 31 March 2020**

	At 1 April 2019 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2020 £
<b><u>Restricted funds</u></b>	3,000	32,144	17,740	-	17,404
<b><u>Unrestricted funds</u></b>	700,172	293,276	283,444	-	710,004
<b>General Fund</b>	703,172	325,420	301,184	-	727,408

**Designated Funds**

During the year the trustees set aside from the general fund, an amount of £160,000 for the expansion of the Canaan Trust ministry for the future.

**Purpose of Restricted Funds**

An amount of £5,076 was brought forward given by The Puddle Trust to pay for an Alcohol Professional Advisors and other resident expenses; this was all spent at the year end date. Previously the CPD Trust gave £9,144 for IT and technical equipment; this was all spent at the year end date. In the previous year the Roy Theobald Trust gave £17,000 for decorating and maintenance and a balance of £10,703 was brought forward at the year end date, this is now all spent.

**18. Donated Assets**

Donation of perishable food from Birds Bakery, Greggs, Tesco, M and S and Nando's, with additional food items from Addo Foods, Samworth Brothers, British and Continental Food Brokers and Giving World, and Chetwynd Army Barracks for the use of the Charity's residents and other charitable institutions – the value is not quantified.

Different churches in Long Eaton hold Harvest Festivals and from those events donations of food are made for the residents of the Charity – these are also shared with the food bank project and other homeless individuals in the locality.