

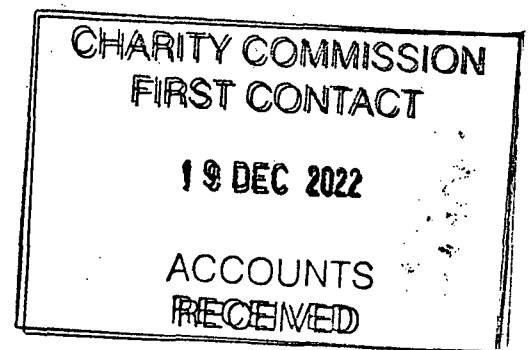
CANAAN TRUST

(A Company Limited by Guarantee)

**UNAUDITED REPORT AND
FINANCIAL STATEMENTS**

for the Year Ended 31 March 2022

**Charity Number 1105657
Company Number 05169595**



Canaan Trust
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2022

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 2022 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 major development to report is the purchase of the house next door to Jordan House, number 16 Main Street. This property has not been used for some time so we have had a "watching brief" on it and as soon as it came on the market we were able to move swiftly into negotiations. Over the last few years we have been building up reserves to expand the work of the Trust so we were able to put down a deposit of £105,000 and negotiate a mortgage of £245,000 with The Kingdom Bank. For the first year this will be repaid as interest only.

As I write this report an architect is drawing up plans as much refurbishment is needed to bring the property up to the required standards as a house of multiple occupancy. When these are agreed we will then invite tenders from builders to complete the works.

Negotiations with Erewash and Broxtowe Councils make it clear there is a need for single female accommodation so we are confident the house will soon operate at full capacity. Whilst this is very positive there are big challenges ahead. We are effectively doubling the size of Canaan Trust which has implications for governance, management and fund raising. We are actively seeking more trustees not only to share the responsibilities but also to reduce the average age profile. We are working with staff to ensure efficient management progression. We will be communicating with our local communities to ensure they are well aware of our plans and to appeal for financial support.

In addition to the expansion of our work with resident clients we are anticipating an increasing demand for our support of clients in the community. The current cost of living crisis threatens an ever increasing number of individuals and families with homelessness. Our staff offer financial advice and support as well as the provision of food parcels. We are very proud that Canaan Trust is here 24/7 to answer appeals for help. There are many challenges ahead to maintain and grow this service but being a Christian based charity we look to the future with Faith confident that we will successfully meet these challenges.

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.

Canaan Trust
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Report of the Trustees for the year ended 31 March 2022 - Continued

Achievements and Performance

Whilst nationally Covid restrictions have been lifted the protocols put in place during the height of the pandemic have remained at the Trust to ensure the service provided is not compromised. Despite these precautions individual members of staff and clients have tested positive during the year but not in significant numbers. We are delighted that the Trust has remained operational 24/7 throughout the year.

Many of our usual fundraising activities have recommenced. The Sleep Out returned in April. Attendance was lower than previous years but this is not surprising given the break since the last one. Asda and Tesco have allowed us to hold bucket collections and supported us via their token schemes. We have also benefitted from the Co-Op Community Fund. A number of local groups and schools have held fundraising events for which we are very grateful.

Given the increasing "cashless society" we now have a card machine to accept donations and QR codes also allowing cashless donations.

As Trustees we are very aware of the challenges met by staff recently and the stresses these have caused. We have therefore set up a counselling service which they can access anonymously.

A number of residents have been assisted into their own accommodation during the year. They continue to be supported when required.

Food parcels continue to be distributed. At Christmas 80 individuals and families were given special festive parcels.

Work continues to develop the new website which will go live shortly.

Various maintenance issues have been addressed at both Jordan House and Cranmer Street. Jordan House again passed its HMO inspection.

The Trustees are delighted that the finances have held up over a very difficult couple of years. However we are also aware that a proportion of the reserves have been used for the deposit on number 16 and we are committed to increased efforts to finance the refurbishment and the running of the new house.

If anyone reading this feels able to support us please visit <https://gofundme.com/f/canaan-female-project-2022>.

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 2022 - Continued

Financial Review

The attached financial statements show the current state of the finances. The company had incoming resources during the year of £317,351.

The company's revenue reserve unrestricted fund balance is a surplus of £803,374 at 31 March 2022 which is substantially held as property. The company's unrestricted deficit for the year totalled £3,107.

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.

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 2022 the total funds of the Trust were £803,374, 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.

**Canaan Trust
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Trustees' Report for the Year Ended 31 March 2022 - 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

Refurbish number 16

Employ additional staff for number 16

Identify Grant Making Bodies to help finance the refurbishment

Consult local groups appealing for financial support

Increase efforts to recruit more Trustees

Work with senior staff to ensure management progression.

Medium and Long Term

Monitor staffing levels to ensure the needs of clients are met.

Keep staff salaries under review to ensure staff retention.

Identify partnerships where we can work to mutual advantage.

Canaan Trust
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Report of the Trustees for the Year Ended 31 March 2022

Reference and Administrative Information

CHARITY NAME: Canaan Trust

CHARITY REGISTRATION NUMBER: 1105657

COMPANY REGISTRATION NUMBER: 5169595

REGISTERED OFFICE: Cliffe Hill House
22-26 Nottingham Road
Stapleford
Nottingham NG9 8AA

OPERATIONAL ADDRESS: Jordan House
14 Main Street
Long Eaton
Nottingham NG10 1GR

PATRONS: Andrew James

**TRUSTEES OF THE CHARITY
AND DIRECTORS OF THE COMPANY:** Mrs D Ross (Treasurer)
Mr D Gee (chair)
Mr T J Broad
Mr A Goulden
Mr T Jones
Mrs T Hopkins

PROJECT MANAGER: Kevin Curtis
(Responsible for day to day running of project)

ASSISTANT MANAGER: Kate Bassford

COMPANY SECRETARY: Not Appointed

INDEPENDENT EXAMINER: D J Lockwood FCA, FCCA ATT(Fellow)
Chartered Accountant
Haines Watts Nottingham Limited
Cliffe Hill House
22 – 26 Nottingham Road
Stapleford
Nottingham NG9 8AA

BANKERS: The Co-operative Bank PLC
4 – 5 Exchange Walk
Nottingham NG1 2NX

Barclays Bank PLC

SOLICITORS: Ellis-Fermor Negus
35 Derby Road
Long Eaton
Nottingham NG10 1LU

WEBSITE: www.canaan-trust.co.uk

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Trustees' Report for the Year Ended 31 March 2022

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 2022 - 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 2022 was 6 (2021 – 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 (02/11/2022) and signed on its behalf by:

Signature David Gee 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 2022.

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

Since the Company'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 the Institute of Chartered Accountants, 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:-

- 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 *3.11.2022*

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 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Income							
Donations and Legacies	2a	72,567	24,754	97,321	99,278	-	99,278
COVID Support	2b	-	-	-	35,000	-	35,000
Investment Income		457	-	457	1,457	-	1,457
Income from charitable activities:	3						
Rent & Utilities		186,019	-	186,019	175,580	-	175,580
Fundraising		33,544	-	33,544	52,861	-	52,861
Other Income		10	-	10	58	-	58
Total Incoming Resources		292,597	24,754	317,351	364,234	-	364,234
Expenditure							
Raising Funds	4	6,698	-	6,698	6,674	-	6,674
Charitable activities	4	222,597	2,778	225,375	271,493	17,404	288,897
Support Costs	4	66,409	-	66,409	11,566	-	11,566
Total Expenditure		295,704	2,778	298,482	289,733	17,404	307,137
Net income/expenditure and net movement in fund		(3,107)	21,976	18,869	74,501	(17,404)	57,097
Reconciliation of funds							
Total fund balances brought forward 1 April 2021	17	784,505	-	784,505	710,004	17,404	727,408
Total fund balances carried forward 31 March 2022	17	781,398	21,976	803,374	784,505	-	784,505

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 2022

	Notes	2022 £	2021 £
Fixed Assets			
Tangible Assets	9	505,946	510,555
Current Assets			
Debtors	14	13,623	11,356
Cash at bank and in hand		<u>295,351</u>	<u>280,209</u>
		<u>308,974</u>	<u>291,565</u>
Creditors: amounts falling due within one year.	15	<u>11,546</u>	<u>17,615</u>
Net Current Assets/(Liabilities)		297,428	273,950
Net Assets		<u>803,374</u>	<u>784,505</u>
Unrestricted funds			
General Funds - General Purposes	17	1,021,398	624,505
Designated Fund – expansion of Canaan Trust ministry		160,000	160,000
Restricted Funds	17	21,976	-
Total Charity Funds	16	<u>803,374</u>	<u>784,505</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ending 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 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 02/11/2022 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 2022

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 1st 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 2022 - 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.

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Notes forming part of the Financial Statements for the Year Ended 31 March 2022 - 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 2022 - Continued

2a. Donations and Legacies

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Derbyshire County Council	1,700	-	1,700	-
Co-Op Community Fund	2,556	-	2,556	-
National Lottery Community Fund	-	9,696	9,696	-
The Sage Trust	-	-	-	2,000
Puddle Lane Trust	-	2,968	2,968	-
Breaston PPCC	2,200	-	2,200	2,000
Erewash Borough Council - small grant	125	-	125	1,000
Foundation Derbyshire	-	4,000	4,000	9,300
Neighbourhood Foundation	1,000	-	1,000	-
EVA	-	-	-	2,000
Morison Foundation	-	-	-	3,000
Sainsburys	1,846	-	1,846	-
Derby City Mission	14,250	-	14,250	-
Groundwork UK	1,125	-	1,125	-
Alplat Foundation	-	-	-	3,000
Long Eaton United	-	-	-	5,000
General Donations (including Gift Aid)	45,765	-	45,765	71,978
Giving for new property	-	3,090	3,090	-
Long Eaton Rotary	1,000	-	1,000	-
Asda Foundation	1,000	-	1,000	-
HSBC Supporting Communities Fund	-	5,000	5,000	-
	72,567	24,754	97,321	99,278

2b. COVID Support

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Erewash Borough Council	-	-	-	20,000
CAF Resilience Fund	-	-	-	15,000
	-	-	-	35,000

3. Income from Charitable Activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Utility Income	10,695	-	10,695	6,977
Rent				
Housing Benefit	175,324	-	175,324	168,603
	186,019	-	186,019	175,580

Trustee giving during the year totalled £126 (2021: £150).

Canaan Trust
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Notes forming part of the Financial Statements for the Year Ended 31 March 2022 - Continued

4. Expenditure

	Basis of Allocation	Raising Funds	Rental income and grant income	Support Costs	2022 Total	2021 Total
Costs directly allocated to activities	£	£	£	£	£	£
Staff Costs	Direct	-	155,042	57,352	212,394	207,905
Rent, Rates and Water	Usage	-	7,359	-	7,359	8,440
Heat, Light, Power	Usage	-	7,152	-	7,152	7,683
Travel and Staff Expenses	Direct	-	3,234	32	3,266	2,424
Insurance	Direct	-	4,036	-	4,036	3,886
Cleaning/Housekeeping	Direct	-	2,133	237	2,370	4,720
Residents Expenses	Direct	-	5,874	-	5,874	13,129
Training Costs	Direct	-	356	-	356	1,494
Property Maintenance	Direct	-	4,419	-	4,419	10,423
Healthy Living costs	Direct	-	953	-	953	897
Consultancy Fees and DBS Checks	Direct	-	9,964	-	9,964	7,437
Professional Fees - (New property purchase)	Direct	-	2,346	-	2,346	-
		-	202,868	57,621	260,489	268,438
Support costs allocated to activities						
Fundraising Costs		804	-	-	804	661
Stationery, photocopier and office costs	Usage	1,176	2,351	1,176	4,703	3,393
Office Equipment and Maintenance Costs	Usage	1,684	3,368	1,684	6,736	9,899
Computer Expenses	Usage	2,504	5,007	2,504	10,015	8,955
Telephone, Mobile and Broadband	Usage	229	3,436	917	4,582	4,441
Sundry Expenses	Usage	152	76	153	381	288
Charitable Giving	Direct	-	2,100	-	2,100	2,100
Bank Charges	Usage	149	148	148	445	344
Accounting and Payroll	Direct	-	3,256	362	3,618	3,772
Depreciation	Usage	-	2,765	1,844	4,609	4,846
		6,698	22,507	8,788	37,993	38,699
Total Resources Expended		6,698	225,375	66,409	298,482	307,137

Canaan Trust
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Notes forming part of the Financial Statements for the Year Ended 31 March 2022 - Continued

5. Net Incoming Resources for the year

This is stated after charging

	2022 £	2021 £
Depreciation	4,609	4,846
Reporting Accountants Fee	1,890	2,040
Payroll Preparation Fees	1,728	1,732

6. Staff Costs and Numbers

	£	£
Salaries	193,156	190,542
Pension Costs	8,237	7,204
Employers National Insurance	10,201	10,159
	<u>212,394</u>	<u>207,905</u>

Average number of paid full and part time employees in the year	16*	16
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*7 within the pension scheme

The cost for employee's are 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 £75,949 (2021: £70,953).

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. The wife of a Trustee now works on a part time basis for the charity. She is paid at a rate that is in line with other staff members and the appointment was approved by all trustees. 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.

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Notes forming part of the Financial Statements for the Year Ended 31 March 2022 - Continued

9. Tangible Fixed Assets

	Land and Buildings £	Office Equipment £	Fixtures and Equipment £	Van £	Total £
Cost					
Brought forward	500,852	5,796	21,702	17,779	546,129
Additions	-	-	-	-	-
At 31 March 2022	<u>500,852</u>	<u>5,796</u>	<u>21,702</u>	<u>17,779</u>	<u>546,129</u>
Depreciation					
Brought forward	-	5,796	20,890	8,888	35,574
Charge for the year	-	-	163	4,446	4,609
At 31 March 2022	<u>-</u>	<u>5,796</u>	<u>21,053</u>	<u>13,334</u>	<u>40,183</u>
Net Book Value					
At 31 March 2022	<u>500,852</u>	<u>-</u>	<u>649</u>	<u>4,445</u>	<u>505,946</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 £8,237 (2021: £7,204).

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

	£ 2022	£ 2021
The Footprints Family	2,100	2,100
	<u>2,100</u>	<u>2,100</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.

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Notes forming part of the Financial Statements for the Year Ended 31 March 2022 (Continued)

14. Debtors

	2022	2021
	£	£
Trade Debtors	9,690	6,654
Other Debtors and Prepayments	3,933	4,702
	<u>13,623</u>	<u>11,356</u>

15. Creditors: Amounts falling due in one year

	2022	2021
	£	£
Trade Creditors	1,126	2,963
Taxation and Social Security	3,829	4,316
Other Creditors and Accruals	6,591	10,336
	<u>11,546</u>	<u>17,615</u>

Previously the Bank held security for the loan in the form of first and only legal charge over Jordan House, 16 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 2022	General Fund	Restricted Fund	Total Funds 2022	Total 2021
	£	£	£	£
Tangible Fixed Assets	505,946	-	505,946	510,555
Current Assets	286,998	21,976	308,974	291,565
Current Liabilities	(11,546)	-	(11,546)	(17,615)
Net Assets at 31 March 2022	<u>781,398</u>	<u>21,976</u>	<u>803,374</u>	<u>784,505</u>

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>

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Notes forming part of the Financial Statements for the Year Ended 31 March 2022 (Continued)

17. Movements in Funds

Year Ended 31 March 2022	At 1 April 2021 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2022 £
<u>Restricted funds</u>					
Property Fund	-	3,090	-	-	3,090
National Lottery Community Fund	-	9,696	243	-	9,453
Puddle Lane Trust	-	2,968	1,768	-	1,200
Foundation Derbyshire	-	4,000	167	-	3,833
HSBC Supporting Community Fund	-	5,000	600	-	4,400
	-	24,754	2,778	-	21,976
<u>Unrestricted funds</u>	784,505	292,597	295,704	-	781,398
General Fund	784,505	317,351	298,482	-	803,374

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

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

Property Fund – A new property at 16 Main Street, Long Eaton was purchased by the charity on 5 May 2022 at a cost of £350,000 with funds provided from monies held and a loan from Kingdom Bank of £245,000. Donations from individuals for the purchase, made before the year end date totalled £3,090.00 and are carried forward at the year end date.

National Lottery Community Fund – A total of £9,696 for the purchase of laptops and expenditure on the charities website, an amount of £243 spent in the year, a balance of £9,453 to carry forward.

Puddle Lane Trust – A total of £2,968. Amount of £968 for legal fees for the property spent in the year. A further balance of £2,000 for food vouchers, £800 spent in the year, leaving a balance to carry forward of £1,200.

Foundation Derbyshire – A total of £4,000 to be spent on floating support and winter hampers. An amount of £107 spent in the year, a balance of £3,833 to carry forward.

HSBC Supporting Community Fund – A total of £5,000 to be spent on bike repairs, emergency accommodation for floating support, meeting facilities and mobile phones. A total of £600 spent in the year, a balance of £4,400 to carry forward.

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Notes forming part of the Financial Statements for the Year Ended 31 March 2022 (Continued)

18. Donated Assets

Donation of perishable food from Birds Bakery, Greggs, Tesco and Nando's, – 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.

19. Future Capital Commitments

See property fund details in note 17.