

CANAAN TRUST
(A Company Limited by Guarantee)
UNAUDITED REPORT AND
FINANCIAL STATEMENTS
for the Year Ended 31 March 2023

Charity Number 1105657
Company Number 05169595

Canaan Trust
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2023

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 2023 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

This financial year has been one of the most challenging in the Trust's history. This time last year we were completing the purchase of 16 Main Street to develop as a female house to complement the work of Jordan House our male accommodation.

Whilst we have made good progress in putting the necessary planning permissions and relevant plans in place the subsequent cost of living crisis has made fund raising a much bigger challenge, grant funding bodies, local organisations and individuals all having fewer funds to distribute. Having said that we are supported by many local individuals who have organised events for us. Local supermarkets continue to allow us to hold collections and donate goods. Firms have provided working parties for various tasks such as decorating and gardening. We are so truly grateful for all the local support we receive. We would not survive without it.

When the charity was inaugurated it was called the Aspire Trust, the name changing to Canaan Trust some years later. We have chosen to acknowledge this by naming number 16 "Aspire House."

Whilst working to bring Aspire House into use we are mindful that this should not have a negative impact on Jordan House and our work in the community. The overall finances of the Trust are therefore being kept under careful review to ensure those core activities continue and sufficient reserves are available for any unforeseen circumstances.

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.

Looking ahead we have expanded the number of trustees on the Board. These new recruits bring a wealth of knowledge, experience and enthusiasm to the Trust. Over the coming weeks and months we will be developing ways of working to ensure they make a truly positive effect on the governance of Canaan and ensure we continue to provide the vital support to homeless individuals and those threatened with homelessness for which we are valued.

Achievements and Performance

Throughout the year the Trust has continued to provide accommodation for 12 homeless males with support available 24/7. A number of residents have successfully found employment and moved on into their own accommodation. Support does not end there, staff are available to offer advice should they need it. There is always a waiting list for places so as soon as one client leaves another arrives, bringing their own issues to be addressed together with the staff.

Demands for support for those in the community continues to increase. The demand for food parcels continues to grow often outstripping the number of donations received. We have been successful in receiving monetary grants to enable us to buy food to make up the shortfall.

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Report of the Trustees for the year ended 31 March 2023 - Continued

Canaan is also known as a place where advice is available. We support all who come asking for advice and our staff share their considerable knowledge and expertise to help them through their difficulties.

The Trustees wish to acknowledge once again the lengths all our staff go to to support those in need. The phrase “above and beyond the call of duty” can easily be written but the Trustees often find themselves in awe at the challenges staff have faced and how they have dealt with them. We sincerely thank them once again for all they do.

The staff are backed up by a team of very hardworking volunteers who undertake a myriad of tasks. Helping clients move furniture and belongings, preparing food parcels, managing donations, counting collections are just a few examples of the help we receive. Again the Trustees are truly grateful for all their efforts.

Major events during the year were the Christmas Lunch in the Community, the Annual Sleep Out, participation in the Carnival. All of these were really well supported and raised awareness of the work of the Trust.

A significant Public Meeting was held in January to show the plans for Aspire House and explain our hopes and plans for its development. This was very well attended and generated much interest and support.

To enhance the fundraising for Aspire House we have employed the services of a professional fundraiser for one day a week. The results of her work are already coming through.

As mentioned in the Chair’s report the Board of Trustees has been expanded to reflect the increased size of the Trust with the acquisition of Aspire House.

Their induction continues as we develop a subcommittee structure to ensure skills and expertise are focussed in areas where they can be most effective.

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.

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Trustees' Report for the Year Ended 31 March 2023 - Continued

Financial Review

The attached financial statements show the current state of the finances. The company had incoming resources during the year of £382,992.

The company's revenue reserve unrestricted fund balance is a surplus of £844,556 at 31 March 2023 which is substantially held as property. The company's unrestricted deficit for the year totalled £688.

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 2023 the total funds of the Trust were £844,556 (2022: £803,374), a substantial amount of this being represented by fixed assets.

The Trust segregates its funds between those that are restricted and those that are unrestricted.

General funds represent the accumulated surplus on unrestricted income and expenditure and are available for use at the discretion of the Board in pursuing the general charitable objectives of the charity.

The Directors have adopted a reserves policy that unrestricted funds held in the general fund should cover 3 months running costs.

Designated funds are funds that have been set aside by the Board for a specific purpose.

In 2021/22 a designated fund was established for the expansion of the Canaan Trust for the future. The Directors have determined that this fund will be dedicated to the Aspire House Women's Project.

In 2022/23 a designated freehold property and fixed asset fund has been established that represents the net book value of the Trust's freehold property and fixed assets, less any outstanding debt secured against those assets. This fund has been separated from the general fund in recognition of the fact that the freehold property and fixed assets are used in the Trust's day-to-day work, and the fund value would not be easily realisable if needed to meet future liabilities.

Restricted funds represent income received where the donor or the nature of the appeal generating the income has imposed restrictions as to how the monies shall be used.

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Trustees' Report for the Year Ended 31 March 2023 - Continued

Future Plans

Our plans are set out in our Business Plan 2023-25 and the 5 Year Funding Strategy 2023-28 which have been produced this year. They are works in progress and will continue to be developed this year.

Given the difficult financial year we have just experienced the immediate priority is to stabilise the finances of the Trust to ensure its long term future.

Alongside this are the continuing efforts to raise funds for the refurbishment of Aspire House.

An element of this will be the establishment of a fundraising task force to coordinate community events on the Trust's behalf.

The continuing development of the work of the Board of Trustees to fully integrate the new Trustees and ensure their skills are fully utilised.

To plan the staffing structure of the Trust to take account of the extra staff members needed to operate Aspire House when it comes into use.

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Report of the Trustees for the Year Ended 31 March 2023

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: (Responsible for day to day running of project)	Kevin Curtis
ASSISTANT MANAGER:	Kate Bassford
COMPANY SECRETARY:	Not Appointed
INDEPENDENT EXAMINER:	Alexander Butterfield ACA 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 2023

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 bank balances are allocated to different accounts to ensure there is no risk to them.

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Trustees' Report for the Year Ended 31 March 2023 - 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.

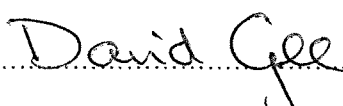
Members of the Management Committee

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 2023 was 6 (2022 – 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 (22/11/2023) and signed on its behalf by:

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

Canaan Trust
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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 2023.

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.


.....
Alexander Butterfield ACA
Chartered Accountant

Dated 28/11/2023

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 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Income							
Donations and Legacies	2	79,855	77,118	156,973	72,567	24,754	97,321
Investment Income		504	-	504	457	-	457
Income from charitable activities:	3						
Rent & Utilities		196,165	-	196,165	186,019	-	186,019
Fundraising		29,337	-	29,337	33,544	-	33,544
Other Income		13	-	13	10	-	10
Total Incoming Resources		<u>305,874</u>	<u>77,118</u>	<u>382,992</u>	<u>292,597</u>	<u>24,754</u>	<u>317,351</u>
Expenditure							
Raising Funds	4	11,870	-	11,870	6,698	-	6,698
Charitable activities	4	223,721	35,248	258,969	222,597	2,778	225,375
Support Costs	4	70,971	-	70,971	66,409	-	66,409
Total Expenditure		<u>306,562</u>	<u>35,248</u>	<u>341,810</u>	<u>295,704</u>	<u>2,778</u>	<u>298,482</u>
Net income/expenditure and net movement in fund		(688)	41,870	41,182	(3,107)	21,976	18,869
Reconciliation of funds							
Total fund balances brought forward 1 April 2022	17	<u>781,398</u>	<u>21,976</u>	<u>803,374</u>	<u>784,505</u>	<u>-</u>	<u>784,505</u>
Total fund balances carried forward 31 March 2023	17	<u>780,710</u>	<u>63,846</u>	<u>844,556</u>	<u>781,398</u>	<u>21,976</u>	<u>803,374</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 2023

	Notes	2023	2022
		£	£
Fixed Assets			
Tangible Assets	9	853,494	505,946
Current Assets			
Debtors	13	12,905	13,623
Cash at bank and in hand		<u>234,313</u>	<u>295,351</u>
		<u>247,218</u>	<u>308,974</u>
Creditors: amounts falling due within one year.	14	<u>11,156</u>	<u>11,546</u>
Net Current Assets/(Liabilities)		236,062	297,428
Creditors: amounts falling due over 1 year	15	245,000	-
Net Assets		<u>844,556</u>	<u>803,374</u>
Unrestricted funds			
General Funds - General Purposes	16	122,216	621,398
Designated Fund – expansion of Canaan Trust		50,000	160,000
Designated Fund – freehold property and fixed assets		608,494	-
Restricted Funds	16	63,846	21,976
Total Charity Funds	17	<u>844,556</u>	<u>803,374</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ending 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 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 22/11/2023 and signed on its behalf by:

Mrs D Ross Treasurer and Trustee/Director Dianna Ross

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

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Notes forming part of the Financial Statements for the Year Ended 31 March 2023

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.

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

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Notes forming part of the Financial Statements for the Year Ended 31 March 2023 - 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 2023 - 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 2023 - Continued

2. Donations and Legacies

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Derbyshire County Council	-	-	-	1,700
Co-Op Community Fund	-	-	-	2,556
National Lottery Community Fund	-	-	-	9,696
Puddle Lane Trust	-	-	-	2,968
Breaston PPCC	-	-	-	2,200
Erewash Borough Council - small grant	-	-	-	125
Foundation Derbyshire	-	5,320	5,320	4,000
Neighbourhood Foundation	-	-	-	1,000
Sainsburys	-	500	500	1,846
Derby City Mission	-	-	-	14,250
Groundwork UK	-	375	375	1,125
General Donations (including Gift Aid)	58,304	-	58,304	45,765
Giving for new property	17,050	70,923	87,973	3,090
Long Eaton Rotary	-	-	-	1,000
Asda Foundation	1,800	-	1,800	1,000
HSBC Supporting Communities Fund	-	-	-	5,000
Rolls Royce – Small Grant	200	-	200	-
St Ralph Sherwin – Small Grant	501	-	501	-
Fine & Country	2,000	-	2,000	-
	<u>79,855</u>	<u>77,118</u>	<u>156,973</u>	<u>97,321</u>

3. Income from Charitable Activities

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Utility Income	16,203	-	16,203	10,695
Rent				
Housing Benefit	179,962	-	179,962	175,324
	<u>196,165</u>	<u>-</u>	<u>196,165</u>	<u>186,019</u>

Trustee giving during the year totalled £1,700 (2022: £126).

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Notes forming part of the Financial Statements for the Year Ended 31 March 2023 - Continued

4. Expenditure

	Basis of Allocation	Raising Funds	Rental income and grant income	Support Costs	2023 Total	2022 Total
Costs directly allocated to activities	£	£	£	£	£	£
Staff Costs	Direct	-	162,920	58,580	221,500	212,394
Rent, Rates and Water	Usage	-	8,244	-	8,244	7,359
Heat, Light & Power	Usage	-	7,240	-	7,240	7,152
Travel and Staff Expenses	Direct	-	3,299	33	3,332	3,266
Insurance	Direct	-	5,874	-	5,874	4,036
Cleaning/Housekeeping	Direct	-	2,160	240	2,400	2,370
Residents Expenses	Direct	-	9,551	-	9,551	5,874
Training Costs	Direct	-	495	-	495	356
Property Maintenance	Direct	-	8,391	-	8,391	4,419
Healthy Living costs	Direct	-	911	-	911	953
Consultancy Fees and DBS Checks	Direct	-	9,024	-	9,024	9,964
Professional Fees - (New property purchase)	Direct	-	15,224	-	15,224	2,346
		-	233,333	58,853	292,186	260,489
Support costs allocated to activities						
Fundraising Costs		2,613	-	-	2,613	804
Stationery, photocopier and office costs	Usage	1,884	3,768	1,884	7,536	4,703
Office Equipment and Maintenance Costs	Usage	382	765	382	1,530	6,736
Computer Expenses	Usage	3,072	6,145	3,072	12,289	10,015
Telephone, Mobile and Broadband	Usage	218	3,277	874	4,369	4,582
Sundry Expenses	Usage	152	78	152	382	381
Charitable Giving	Direct	-	1,925	-	1,925	2,100
Bank Charges	Usage	117	118	117	352	445
Accounting and Payroll	Direct	-	3,381	375	3,756	3,618
Depreciation	Usage	-	2,745	1,830	4,575	4,609
Loan Interest	Usage	3,432	3,433	3,432	10,297	-
		11,870	25,636	12,118	49,624	37,993
Total Resources Expended		11,870	258,969	70,971	341,810	298,482

Canaan Trust
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Notes forming part of the Financial Statements for the Year Ended 31 March 2023 - Continued

5. Net Incoming Resources for the year

This is stated after charging

	2023	2022
	£	£
Depreciation	4,575	4,609
Reporting Accountants Fee	1,890	1,890
Payroll Preparation Fees	1,866	1,728

6. Staff Costs and Numbers

	£	£
Salaries	202,302	193,156
Pension Costs	8,923	8,237
Employers National Insurance	10,275	10,201
	<u>221,500</u>	<u>212,394</u>

Average number of paid full and part time employees in the year	16*	16
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*7 within the pension scheme (2022: 7).

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 £75,685 (2022: £75,949).

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.

Canaan Trust
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Notes forming part of the Financial Statements for the Year Ended 31 March 2023 - 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	352,125	-	-	-	352,125
At 31 March 2023	<u>852,977</u>	<u>5,796</u>	<u>21,702</u>	<u>17,779</u>	<u>898,254</u>
Depreciation					
Brought forward	-	5,796	21,053	13,334	40,183
Charge for the year	-	-	130	4,445	4,575
At 31 March 2023	<u>-</u>	<u>5,796</u>	<u>21,183</u>	<u>17,779</u>	<u>44,758</u>
Net Book Value					
At 31 March 2023	<u>852,977</u>	<u>-</u>	<u>519</u>	<u>-</u>	<u>853,494</u>
At 31 March 2022	<u>500,852</u>	<u>-</u>	<u>649</u>	<u>4,445</u>	<u>505,946</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 £937.60.
- A commitment to the current insurance company for premiums of at least £3,398 per annum until April 2023.

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 £8,923 (2022: £8,237).

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

	£ 2023	£ 2022
Bundle of Hope	1,050	-
The Footprints Family	875	2,100
	<u>1,925</u>	<u>2,100</u>

Canaan Trust
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Notes forming part of the Financial Statements for the Year Ended 31 March 2023 (Continued)

13. Debtors

	2023	2022
	£	£
Trade Debtors	8,798	9,690
Other Debtors and Prepayments	4,107	3,933
	<u>12,905</u>	<u>13,623</u>

14. Creditors: Amounts falling due in one year

	2023	2022
	£	£
Trade Creditors	1,506	1,126
Taxation and Social Security	3,942	3,829
Other Creditors and Accruals	5,708	6,591
	<u>11,156</u>	<u>11,546</u>

15. Creditors: Amounts falling due after one year

	2023	2022
	£	£
Bank Loan	245,000	-

The Bank holds security for the loan in the form of first and only legal charge over the property to which it relates.

These amounts are repayable other than by instalments due more than 5 years from the balance sheet date.

16. Analysis of Net Assets between funds

Year Ended 31 March 2023	General Fund	Restricted Fund	Total Funds 2023	Total 2022
	£	£	£	£
Tangible Fixed Assets	853,494	-	853,494	505,946
Current Assets	183,372	63,846	247,218	308,974
Current Liabilities	(11,156)	-	(11,156)	(11,546)
Long Term Liabilities	(245,000)	-	(245,000)	-
Net Assets at 31 March	<u>780,710</u>	<u>63,846</u>	<u>844,556</u>	<u>803,374</u>

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	<u>781,398</u>	<u>21,976</u>	<u>803,374</u>	<u>784,505</u>

Canaan Trust
(A Company Limited by Guarantee)

Notes forming part of the Financial Statements for the Year Ended 31 March 2023 (Continued)

17. Movements in Funds

Year Ended 31 March 2023	At 1 April 2022 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2023 £
<u>Restricted funds</u>					
Property Fund	3,090	70,923	8,433	-	65,580
National Lottery Community Fund	9,453	-	9,453	-	-
Puddle Lane Trust	1,200	-	1,200	-	-
Foundation Derbyshire	3,833	5,320	11,193	-	(2,040)
HSBC Supporting Community Fund	4,400	-	4,400	-	-
Tesco Community	-	375	-	-	375
Sainsburys	-	500	569	-	(69)
	<u>21,976</u>	<u>77,118</u>	<u>35,248</u>	<u>-</u>	<u>63,846</u>
<u>Unrestricted funds</u>	<u>621,398</u>	<u>305,874</u>	<u>306,562</u>	<u>(498,494)</u>	<u>122,216</u>
Designated Fund					
– expansion of Canaan Trust	160,000	-	-	(110,000)	50,000
Designated Fund – freehold property and fixed assets	-	-	-	608,494	608,494
General Fund	<u>803,374</u>	<u>382,992</u>	<u>341,810</u>	<u>-</u>	<u>844,556</u>

Year Ended 31 March 2022	At 1 April 2021 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2022 £
<u>Restricted funds</u>	-	24,754	2,778	-	21,976
Freehold Property and Fixed Assets					
<u>Unrestricted funds</u>	784,505	292,597	295,704	(160,000)	621,398
Designated Fund					
– expansion of Canaan Trust	-	-	-	160,000	160,000
General Fund	<u>784,505</u>	<u>317,351</u>	<u>298,482</u>	<u>-</u>	<u>803,374</u>

Designated Funds

Expansion of Canaan Trust - The trustees previously set aside from the general fund an amount of £160,000 for the expansion of the Canaan Trust for the future. During the current year £110,000 of this fund was used towards the deposit for the purchase of Aspire House and as such the fund has been re-designated within the Freehold property and fixed asset designated fund.

Freehold Property and Fixed Assets – During the year the Trustees have designated funds representing the net value of freehold property, fixed assets, less any outstanding debt secured against those assets, for maintenance of such assets and the servicing of debts.

Canaan Trust
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Notes forming part of the Financial Statements for the Year Ended 31 March 2023 (Continued)

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 SGC Solicitors, Benefact Trust and The Albert Hunt Trust totalled £70,923, with a remaining balance of £65,579.

Foundation Derbyshire – A total of £1,320 to be spent on business rates and utilities for Derby Road storage. A further £4,000 to be spent on floating support.

Sainsburys – A total of £500 to be spent on floating support.

Tesco Community Grant – A total of £375 for emergency accommodation.

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.

20. Negligence Insurance

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

21. Prior Year Restatement

The balance sheet as at 31 March 2022 has been restated in these accounts as shown on page 10, due to a casting error in the prior year. This restatement has had no impact on the Statement of Financial Activities or the notes to the accounts.