

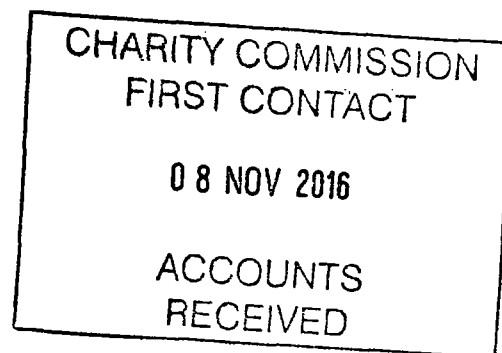
CANAAN TRUST

(A Company Limited by Guarantee)

**UNAUDITED REPORT AND
FINANCIAL STATEMENTS**

for the Year Ended 31 March 2016

Charity Number 1105657
Company Number 05169595



Canaan Trust
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2016

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 2016 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 for Smaller Entities.

Chairs' Report

Last year was significant for the Trust as it marked the twentieth anniversary of its work in supporting local homeless people. We celebrated with a very successful concert given by Stuart Townend at the Albert Hall. This not only generated a healthy profit but also spread the name of the Trust to a wide audience.

Later in the report we detail the achievements of the year and our plans for the continuing development of the Trust's work, it is a sad reality that we anticipate the need will still be present in the next twenty years.

At this point however I would like to highlight the Trustees' gratitude for the hard work and dedication of the staff who are dealing with evermore complex challenges presented by the clients at a time when government policies, especially with regard to benefits, are themselves challenging the expertise and patience of all.

The Trust could not exist without the generosity, support and prayers of many individuals and businesses. We hope that our new "Friends of Canaan" initiative will enable us to inform our current supporters of developments and better show our gratitude for their efforts whilst also expanding the number of individuals who will spread the word regarding our mission.

When the Board of Trustees took the decision to leave the "Supporting People" programme some years ago it was in many ways a "Leap of Faith" that the Trust would survive without that income, that the Lord would provide and the Trust would flourish. That Faith has been rewarded, whilst we face many challenges I am confident that the commitment of the current Trustees, staff and supporters will ensure that Canaan Trust will be here for many years to come continuing our Christian mission to support those in need.

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Trustees' Report for the Year Ended 31 March 2016

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.

Achievements and Performance

The Project has had another successful year delivering on its core objective of providing safe and secure accommodation for many vulnerable men, enabling them to address their particular needs and helping them to gain the necessary life skills to take full control of their situation moving on into independent living in their own tenancies.

We have also supported homeless people who are not resident with us. Many people knock at the door seeking help and advice. 1600 food parcels were distributed in the last year. We are beginning a process to determine what other support we can realistically give to those seeking help.

The Trust's work is greatly enhanced by the many partnerships that have been developed with local groups and businesses. Asda and Tesco have allowed us to collect in store, Asda and the W.I. were instrumental in providing a Christmas lunch, Greggs, Warburtons and Nandos have donated surplus food a proportion of which has been shared with other local charities for the homeless. Sainsbury's Local has continued its support and staff from the M+S Distribution Warehouse have undertaken decorating at Jordan House. A number of Trustees joined Long Eaton Lions and Father Christmas for a journey around town collecting door to door.

Many members of the public joined in the annual Sleep Out and the Nottingham 10k Run. We are indebted to them and all our regular supporters who donate via Local Giving or simply sending in cheques.

Education continues to be a vital element of the support which the Project provides to our clients. In order to continue this aspect of our work, the Project employs part time tutors who deliver our own 'in house' education programme including English, Maths, IT and Art. This work is supported by grants from various sources.

The complexity of issues in client profiles continues to be challenging for staff. These challenges have increased the need for more intensive staff training ensuring the Project is equipped with the necessary skills to understand and to support the needs of our clients. External agencies in social care, mental health, and substance misuse are proving more difficult to access leaving the Trust as the only active support available to our clients. One of our Support Workers is a trained counsellor whose expertise is having a significant beneficial effect for our clients. A new system for the storage and accessibility of medication has been introduced recently and will be monitored to ensure its effectiveness.

In parallel the changes in benefits is also having a significant impact on client support needs and staff workloads. The Department of Work and Pensions has tightened its guidance to front line staff at Job Centre's resulting in a number of clients with sanctions and reduced income.

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Trustees' Report for the Year Ended 31 March 2016

The Canaan Trust continues to alert GP Surgeries, Job Centres and other such bodies to our existence and availability to assist any individual who is homeless and in need of safe, secure accommodation. The aim is to reach individuals who are homeless and may not automatically be referred on by the local councils.

We believe that the Canaan Trust offers a significant Social Return on Investment (SROI) and is not only rebuilding lives but is in fact saving the authorities and the community hundreds of thousands of pounds by reducing or preventing calls on NHS services, police time, reducing anti-social behaviour, demands on the resources of the local authorities, and also potentially court time and possibly the prison service.

We as a project could not have accomplished this without the generosity of individuals, churches, schools, charitable trusts and other organisations which not only allows the continuation of our work but also to a standard that embraces our ideology to Pursue Excellence. We are as always, very grateful to all our generous donors who make it possible to turn dreams into reality. We also wish to acknowledge the significant amount of time given by volunteers who assist in many ways, from collecting at local supermarkets to cooking meals for residents.

Public Benefit

All our charitable activities focus on the homeless and the rehabilitation of these persons to integrate them back into the community. This is achieved by each successful referral, through interview, receiving a bespoke programme tailored to their individual needs. Increasingly, those referred to us have a number of issues such as a history of drug/alcohol abuse, offending, learning difficulties and very low self esteem. These issues are addressed by providing individual programmes of support including counseling 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.

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.

Financial Review

The attached financial statements show the current state of the finances. The company had incoming resources during the year of £235,058.

The company's revenue reserve unrestricted fund balance is a surplus of £556,867 at 31 March 2016 which is substantially held as property. The company's deficit for the year totalled £523.

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.

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Trustees' Report for the Year Ended 31 March 2016

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 2016 the total funds of the Trust were £559,479, 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.

Future Plans

It is our intention to build on the foundations established in previous years by further developing the level of publicity with the aim of achieving regular and sustainable donations to fund our activities. Financial sustainability is crucial and the Trustees recognise that in the current cost cutting environment it is essential that we have sufficient reserves to cope with unforeseen circumstances, in particular relating to Housing Benefit which is a significant source of income to the Trust.

We do not want to just survive but we would like to further develop our project so that we can reach more people who are in need. To this end the Trustees have put together a strategic plan which aims to ensure the continued development and outreach of the Trust through the following actions:-

Short Term

- Look to improve links with local churches with the aim of each Church having a "Friend of Canaan" to represent the Trust and assist in fund raising.
- Identify how the trust can support homeless people who are not resident with us.
- Develop existing income streams including the eBay Shop and gift aid.
- Review the potential of an additional property enabling the Trust to generate funds. To this end we are exploring a possible collaboration with the Footprints Charity who provide housing for charitable use.

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Trustees' Report for the Year Ended 31 March 2016

- Explore strategic links with other similar charitable organisations to share resources, reduce costs and improve the service offered.
- Continue preparations for the introduction of workplace pension reform and national living wage.

Long Term

- Develop the regular income stream to ensure that the Trust is not reliant on Charitable giving to maintain operations and for development of the Trust and its supplementary services.
- Increase the number of properties and expand the ministry of the Trust.

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Report of the Trustees for the Year Ended 31 March 2016

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 Stuart Sharp
TRUSTEES OF THE CHARITY AND DIRECTORS OF THE COMPANY:	Mrs D Ross (Treasurer) Mr D Gee (chair) Mrs S J Dunkley Mr T J Broad Mr A Goulden (Appointed 5.8.15) Mr T Jones (Appointed 4.11.15)
PROJECT MANAGER (Responsible for day to day running of project)	Mr Kevin Curtis
COMPANY SECRETARY	Vacancy
INDEPENDENT EXAMINER	D J Lockwood ACA, FCCA ATT Chartered Accountant Ling Phipp Chartered Accountants Cliffe Hill House 22 – 26 Nottingham Road Stapleford Nottingham NG9 8AA
BANKERS:	The Co-operative Bank PLC 4 – 5 Exchange Walk Nottingham NG1 2NX
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 2016

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. Mr Trevor Jones has been appointed to the Board. 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.

In response to the lowering of the threshold for the guarantee of funds in bank accounts the Trust has recently opened an account with Santander Bank and will transfer funds to ensure there is no risk to our reserves.

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Trustees' Report for the Year Ended 31 March 2016

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:

- 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.

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.

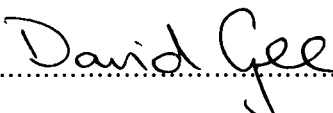
Members of the Management Committee

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 6.

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 2016 was 6 (2015 – 4).

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in July 2014) and 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 (5 October 2016) and signed on its behalf by:

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

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

I report on the accounts of the company charity for the year ended 31 March 2016, which are set out on pages 9 to 18.

Respective responsibilities of trustees and examiner

The trustees, (who are also the directors of the company for the purposes of company law), are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The Charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants England & Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

D. J Lockwood
.....
D J Lockwood ACA, FCCA ATT
Chartered Accountant

Dated *13.11.2016*

Messrs. Ling Phipp
Chartered Accountants
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 2016

	Notes	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Income					
Donations and Legacies	2	37,228	12,000	49,228	48,145
Investment Income		1,023	-	1,023	1,021
Income from charitable activities:	3				
Rent & Utilities		164,341	-	164,341	163,513
Fundraising		20,449	-	20,449	23,688
Other Income		17	-	17	60
Total Incoming Resources		<u>223,058</u>	<u>12,000</u>	<u>235,058</u>	<u>236,427</u>
Expenditure					
Raising Funds	4	9,499	-	9,499	6,168
Charitable activities	4	190,488	12,800	203,288	198,970
Support Costs	4	22,794	-	22,794	23,069
Total Expenditure		<u>222,781</u>	<u>12,800</u>	<u>235,581</u>	<u>228,207</u>
Net Income/ expenditure and Net movement in fund		277	(800)	(523)	8,220
Reconciliation of funds					
Total fund balances brought forward 01.04.2015	17	556,590	4,020	560,610	552,390
Total fund balances carried forward 31.03.2016	17	<u>556,867</u>	<u>3,220</u>	<u>560,087</u>	<u>560,610</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 2016

	Notes	£	2016 £	2015 £
Fixed Assets				
Tangible Assets	9		505,064	506,723
Current Assets				
Debtors	14	9,762		13,039
Cash at bank and in hand		<u>136,583</u>	<u>147,843</u>	
		<u>146,345</u>	<u>160,882</u>	
Creditors: amounts falling due within one year.	15	<u>24,137</u>	<u>25,641</u>	
Net Current Assets (Liabilities)			122,208	135,241
Creditors: amounts falling due over one year.	15		(67,185)	(81,354)
Net Assets			<u>560,087</u>	<u>560,610</u>
Unrestricted funds				
General Funds – General Purposes	17		556,867	556,590
Restricted Funds	17		3,220	4,020
Total Charity Funds	16		<u>560,087</u>	<u>560,610</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ending 31 March 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- a) Ensuring the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006, and
- b) 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 5 October 2016 and signed on its behalf by:

Mrs D Ross Treasurer and Trustee/Director 

Mr D Gee, Chairman of Directors and Trustee/Director 

Canaan Trust
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Notes forming part of the Financial Statements for the Year Ended 31 March 2016

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015), 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).

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.

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.

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Notes forming part of the Financial Statements for the Year Ended 31 March 2016 (Continued)

- 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.

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.

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Notes forming part of the Financial Statements for the Year Ended 31 March 2016 (Continued)

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.

2. Donations and Legacies

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Balfour Beatty	400	-	400	-
Lloyds TSB	-	6,500	6,500	6,500
Help the Homeless	-	-	-	3,000
Erewash Borough Council - small grant	-	1,000	1,000	1,000
Asda	-	300	300	-
Screwfix	-	4,200	4,200	-
The Sage Trust	-	-	-	500
Labone Charitable Trust	-	-	-	1,000
Broxtowe Borough Council	-	-	-	3,000
Nottinghamshire CM	250	-	250	-
General Donations	36,578	-	36,578	33,145
	<u>37,228</u>	<u>12,000</u>	<u>49,228</u>	<u>48,145</u>

3. Income from Charitable Activities

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Utility Income	17,433	-	17,433	15,169
Rent				
Housing Benefit	146,908	-	146,908	148,344
	<u>164,341</u>	<u>-</u>	<u>164,341</u>	<u>163,513</u>

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Notes forming part of the Financial Statements for the Year Ended 31 March 2016 (Continued)

4. Expenditure

	Basis of Allocation	Raising Funds	Rental income and grant income	Support Costs	2016 Total	2015 Total
Costs directly allocated to activities	£	£	£	£	£	£
Staff Costs	Direct	-	153,340	17,037	170,377	163,940
Rent, Rates and Water	Usage	-	2,675	-	2,675	2,898
Heat, Light, Power	Usage	-	6,157	-	6,157	6,516
Travel Expenses	Direct	-	245	27	272	775
Insurance	Direct	-	3,511	-	3,511	3,504
Cleaning/Housekeeping	Direct	-	1,524	169	1,693	1,858
Property Loan Interest	Direct	-	2,509	278	2,787	2,864
Residents Expenses	Direct	-	906	-	906	517
Training Costs	Direct	-	3,514	-	3,514	398
Property Maintenance	Direct	-	8,510	-	8,510	9,565
Healthy Living costs	Direct	-	1,884	-	1,884	1,707
Licence fee & CRB checks	Direct	-	-	-	-	8
Consultancy Fees	Direct	-	2,952	-	2,952	3,520
Professional Fees	Direct	-	35	-	35	560
		-	187,762	17,511	205,273	198,970
Support costs allocated to activities						
Fundraising Costs		5,264	-	-	5,264	1,271
Stationery, photocopier and office costs	Usage	1,026	2,053	1,026	4,105	4,467
Office Equipment and Maintenance Costs	Usage	1,743	3,488	1,743	6,974	8,944
Computer Expenses	Usage	1,187	2,374	1,187	4,748	4,493
Telephone, Mobile and Broadband	Usage	127	1,908	508	2,543	3,076
Sundry Expenses	Usage	123	61	123	307	602
Charitable Giving	Direct	-	2,100	-	2,100	2,100
Bank Charges	Usage	29	29	30	88	86
Accounting and Payroll	Direct	-	2,268	252	2,520	2,442
Depreciation	Usage	-	1,245	414	1,659	2,096
		9,499	15,526	5,283	30,308	29,237
Total Resources Expended		9,499	203,288	22,794	235,581	228,207

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Notes forming part of the Financial Statements for the Year Ended 31 March 2016 (Continued)

5. Net Incoming Resources for the year

This is stated after charging

	£ 2016	£ 2015
Depreciation	1,659	2,096
Reporting Accountants Fee	1,800	1,920
Payroll Preparation Fees	720	522

6. Staff Costs and Numbers

	£	£
Salaries	158,581	151,373
Pension Costs	4,081	5,106
Employers National Insurance	7,715	7,461
	<u>170,377</u>	<u>163,940</u>

Average number of paid full and part time employees in the year	15.5	17
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One employee was involved in governance. The others were included in charitable activities.

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

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.

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 2016 (Continued)

9. Tangible Fixed Assets

	Land and Buildings £	Office Equipment £	Fixtures and Equipment £	Total £
Cost				
Brought forward	500,852	5,796	21,702	528,350
Additions	-	-	-	-
At 31 March 2016	<u>500,852</u>	<u>5,796</u>	<u>21,702</u>	<u>528,350</u>
Depreciation				
Brought forward	-	3,021	18,606	21,627
Charge for the year	-	1,020	619	1,659
At 31 March 2016	<u>-</u>	<u>4,061</u>	<u>19,225</u>	<u>23,286</u>
Net Book Value				
At 31 March 2015	<u>500,852</u>	<u>2,775</u>	<u>3,096</u>	<u>506,723</u>
At 31 March 2016	<u>500,852</u>	<u>1,735</u>	<u>2,477</u>	<u>505,064</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 £3,874 per annum until April 2017.
- A commitment to a mobile phone contract. The annual rental amount is £291.00.

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 £4,081 (2015: £5,106)

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

	£ 2016	£ 2015
Footprints	2,100	2,100
	<u>2,100</u>	<u>2,100</u>

Kevin Curtis, manager of Canaan Trust, is a trustee of the Footprints Orphanage.

13. Negligence Insurance

The Charity hold Trustee Indemnity Insurance and paid a premium of £283 during the year which provides cover of up to £250,000.

Canaan Trust
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Notes forming part of the Financial Statements for the Year Ended 31 March 2016 (Continued)

14. Debtors

	2016	2015
	£	£
Trade Debtors	9,641	11,910
Other Debtors and Prepayments	121	1,129
	<u>9,762</u>	<u>13,039</u>

15. Creditors: Amounts falling due in one year

	2016	2015
	£	£
Trade Creditors	499	1,010
Taxation and Social Security	2,972	2,842
Other Creditors and Accruals	3,266	4,389
Bank Loan	17,400	17,400
	<u>24,137</u>	<u>25,641</u>

Amounts falling due after one year

		2016	2015
		£	£
Bank Loan	Due in 1 – 2 years	17,400	17,400
	Due in 2 – 5 years	52,200	52,200
	Due in over 5 years	2,415	11,754
		<u>67,185</u>	<u>81,354</u>

The Bank hold 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

	General Fund	Restricted Fund	Total Funds 2016	Total 2015
Tangible Fixed Assets	505,064	-	505,064	506,723
Current Assets	143,125	3,220	146,345	160,882
Current Liabilities	(24,137)	-	(24,137)	(25,641)
Long term liabilities	(67,185)	-	(67,185)	(81,354)
Net Assets at 31 March 2016	<u>556,867</u>	<u>3,220</u>	<u>560,087</u>	<u>560,610</u>

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Notes forming part of the Financial Statements for the Year Ended 31 March 2016 (Continued)

17. Movements in Funds

	At 1 April 2015 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2016 £
<u>Restricted funds</u>					
DCC Art Project	120	-	120		-
Erewash Borough Council	-	1,000	1,000		-
Lloyds TSB	3,900	6,500	7,180		3,220
Screwfix	-	4,200	4,200		-
Asda	-	300	300		-
<u>Unrestricted funds</u>	556,590	223,058	222,781		556,867
General Fund	<u>560,610</u>	<u>235,058</u>	<u>235,581</u>		<u>560,087</u>

Purpose of Restricted Funds

Erewash Borough Council £1,000 – Spent in the year towards the bathroom.

DCC Art Project An amount of £120 was brought forward. £120 was spent in the year on residents' expenses.

Lloyds TSB A balance of £3,900 was brought and additionally a donation received in the year of £6,500 to be spent on the salary of a pastoral worker. A balance of £3,220 is carried forward.

Asda A £300 donation was spent on Christmas lunch.

Screwfix £4,200 – Given towards the costs of a replacement bathroom, spent in the year.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

18. Donated Assets

Donation of perishable food from Long Eaton and Sawley Foodbank for the use of the Charity's residents – the value is not quantified.

An event was held in Long Eaton (St Lawrence's School Christmas Fayre) in the year at which the Charity ran a stall selling goods donated to the Charity to raise funds for the Charity.

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.