

CHARITY COMMISSION
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CANAAN TRUST

(A Company Limited by Guarantee)

**UNAUDITED REPORT AND
FINANCIAL STATEMENTS**

for the Year Ended 31 March 2017

Charity Number 1105657
Company Number 05169595

Canaan Trust
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2017

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 2017 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 2015).

Chair's Report

As I write this report national television is highlighting the rise in homelessness across the country. The work of Canaan Trust is as vital as ever for a growing number of people, reflecting locally the national picture.

Although we haven't increased the number of residential places on offer we support a significant number of people on an outreach basis by operating a food bank, giving advice or maybe just a friendly smile.

It is usual to thank the local firms and groups who have assisted through the year, I hesitate to name names as the list has grown enormously this year and I fear I would omit one and cause offence! However Asda and Tesco continue their valued support, we were beneficiaries of the Co-Op Community Fund and were chosen as The Village Hotel's Charity of the year. McCanns were very generous when fixing our drain problem and reinstating the front wall. M+S staff from Castle Donnington have undertaken various working party days with us.

To all other groups we thank you most sincerely for your efforts and donations.

The "Friends of Canaan" initiative continues to grow and is proving useful in spreading the word about current issues and needs. Knowledge of the Trust is growing throughout the area and is resulting in unexpected donations, bequests and offers of help. Helped by these sources of income the Trust has had a very successful year financially and is, for now, in a position of having to decide how best to use this money for the benefit of the homeless.

Balancing this positive picture the Trust is most concerned about the total lack of support for our clients with mental health issues. We are seeing more of our clients presenting with such issues and two recent cases in particular have highlighted the paucity of National Health resources to address their need particularly at a time of crisis. Whilst the Trust will monitor our staffing levels and expertise to ensure we are doing what we can to support clients we will also be pressing the Health Authorities and our MP to do their part in resolving this appalling situation.

Clearly the problem of homelessness is a growing issue so although we have had a positive year we cannot be complacent. The Trust will continue its efforts to grow to meet the need. We are a Christian based charity and it is with Faith that we will move forward to meet the challenges we face

Canaan Trust
(A Company Limited by Guarantee)
Trustees' Report for the Year Ended 31 March 2017

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

In terms of achievement we must start with the performance of Kevin Curtis our manager who abseiled off the Jury's Inn Derby to raise funds and survived to tell the tale!

Other notable fundraisers this year have been the annual Sleep Out, Nottingham 10K run and the concert given by Sandiacre Male Voice Choir. As ever many thanks go to all who took part, sponsored participants or bought tickets.

Over the Christmas period a Dinner was held at Trinity Church with food donated by Asda cooked by members of the W.I. and gifts of Christmas boxes provided by pupils of Wilsthorpe School. The Village Inn also hosted a lunch and we took part in the Long Eaton Lights switch on helped by the Nottingham Building Society.

Staff, clients and volunteers managed the car park for Long Eaton Carnival, collecting funds and being a visible presence to visitors.

A new initiative has seen students undertaking National Citizenship Service choosing the Trust as their charity. They have not only raised significant sums of money but also kept our food store stocked.

Structural Surveys have been completed on both properties to enable us to develop realistic maintenance plans to inform our budget setting. Thankfully no major issues were identified, the most pressing need being the kitchen roof at Jordan House which leaks in very wet weather.

The path to the food store at Cranmer Street has been relaid and a bike shelter built at Jordan House.

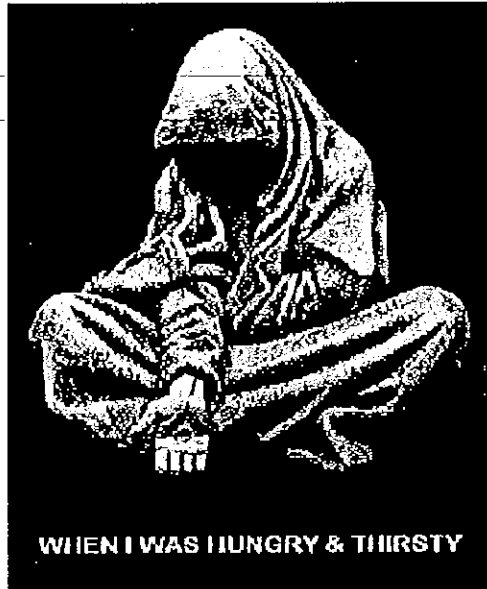
A growing number of retailers pass on unsold foodstuffs. Bread from Warburtons, cakes from Greggs, chicken from KFC and various items from Nando's being some examples as well as donations following parties or funerals. We receive far more than we can use so have developed a network of other charities working with the homeless to share such bounty.

We have almost completed the switch of our bank accounts to Barclays from the Co-operative. Given the publicity surrounding the Co-Op we felt it prudent to make such a switch and having contacted local banks it was Barclays who offered the best deal and service.

Canaan Trust
(A Company Limited by Guarantee)
Trustees' Report for the Year Ended 31 March 2017

As mentioned in the Chair's report increasing numbers of clients are presenting with mental health issues. This has greatly increased the workload on staff, often spending long hours in A+E waiting in vain for help.

The Trustees wish to place on record their sincere thanks and admiration for staff in the professional and caring way that they are dealing with the current situation.



The Trust has purchased 4 sculptures an example of which is shown. These will be used in various locations to raise awareness of homelessness and publicise the work of the Trust. Anyone reading this report who would like to "host" a sculpture is invited to contact us.

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 £359,246.

Canaan Trust
(A Company Limited by Guarantee)
Trustees' Report for the Year Ended 31 March 2017

The company's revenue reserve unrestricted fund balance is a surplus of £681,667 at 31 March 2017 which is substantially held as property. The company's surplus for the year totalled £121,580.

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

Investment Powers of Trust

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

Grant Making Policy

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

Fundraising Activities

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

Reserves Policy

As at 31 March 2017 the total funds of the Trust were £681,667, 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:-

Canaan Trust
(A Company Limited by Guarantee)
Trustees' Report for the Year Ended 31 March 2017

Short Term

Develop initiatives to further our Outreach work.

Develop ideas of how best to use the sculptures in church and school settings to raise awareness of issues and raise funds.

Keep pressure on NHS and others to improve mental health services.

~~Review staffing levels/expertise to ensure staff have the knowledge to deal with clients appropriately.~~

Develop a new website so the public can easily access information about the Trust and its work.

Long Term

Monitor the need for additional accommodation, working in partnership with others to increase the number of residential places on offer.

Explore other income streams to lessen the dependence on donations.

Canaan Trust
(A Company Limited by Guarantee)

Report of the Trustees for the Year Ended 31 March 2017

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 Mr T Jones
PROJECT MANAGER (Responsible for day to day running of project)	Kevin Curtis
ASSISTANT MANAGER	Kate Bassford
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

Canaan Trust
(A Company Limited by Guarantee)
Trustees' Report for the Year Ended 31 March 2017

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.

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.

Canaan Trust
(A Company Limited by Guarantee)
Trustees' Report for the Year Ended 31 March 2017

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.

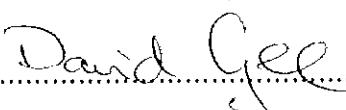
Members of the Management Committee

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 2017 was 6 (2016 – 6).

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 (18/10/17) and signed on its behalf by:

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

Canaan Trust
(A Company Limited by Guarantee)
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 2017, which are set out on pages 10 to 19.

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 30.11.2017

Messrs. Ling Phipp
Chartered Accountants
Cliffe Hill House
22-26 Nottingham Road
Stapleford
Nottingham NG9 8AA

Canaan Trust
(A Company Limited by Guarantee)

Statement of Financial Activities (including Income and Expenditure Account)

	Notes	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
Income							
Donations and Legacies	2	165,889	2,553	168,442	37,228	12,000	49,228
Investment Income		1,218	-	1,218	1,023	-	1,023
Income from charitable activities:	3						
Rent & Utilities		166,600	-	166,600	164,341	-	164,341
Fundraising		22,964	-	22,964	20,449	-	20,449
Other Income		22	-	22	17	-	17
Total Incoming Resources		356,693	2,553	359,246	223,058	12,000	235,058
Expenditure							
Raising Funds	4	6,070	-	6,070	9,499	-	9,499
Charitable activities	4	201,525	5,773	207,298	190,488	12,800	203,288
Support Costs	4	24,298	-	24,298	22,794	-	22,794
Total Expenditure		231,893	5,773	237,666	222,781	12,800	235,581
Net Income/ expenditure and Net movement in fund		124,800	(3,220)	121,580	277	(800)	(523)
Reconciliation of funds							
Total fund balances brought forward 01.04.2016	17	556,867	3,220	560,087	556,590	4,020	560,610
Total fund balances carried forward 31.03.2017	17	681,667	-	681,667	556,867	3,220	560,087

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

Canaan Trust
(A Company Limited by Guarantee)

Balance Sheet as at 31 March 2017

	Notes	£	2017 £	2016 £	£
Fixed Assets					
Tangible Assets	9		504,135		505,064
Current Assets					
Debtors	14	75,609		9,762	
Cash at bank and in hand		<u>178,884</u>		<u>136,583</u>	
		<u>254,493</u>		<u>146,345</u>	
<hr/>					
Creditors: amounts falling due within one year.	15	<u>24,493</u>		<u>24,137</u>	
Net Current Assets (Liabilities)			230,000		122,208
Creditors: amounts falling due over one year.	15		(52,468)		(67,185)
Net Assets			<u>681,667</u>		<u>560,087</u>
Unrestricted funds					
General Funds – General Purposes	17		681,667		556,867
Restricted Funds	17		-		3,220
Total Charity Funds	16		<u>681,667</u>		<u>560,087</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ending 31 March 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2017 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 12/10/17..... and signed on its behalf by:

Mrs D Ross Treasurer and Trustee/Director *Dianna J Ross*

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

Canaan Trust
(A Company Limited by Guarantee)

Notes forming part of the Financial Statements for the Year Ended 31 March 2017

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) (effective 1 January 2015) – (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.

Reconciliation with previous generally accepted accounting practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by the FRS102 and the Charities SORP FRS102 the restatement of comparative items was needed.

No restatement was required.

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

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.

Canaan Trust
(A Company Limited by Guarantee)

Notes forming part of the Financial Statements for the Year Ended 31 March 2017 (Continued)

- 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

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.

Canaan Trust
(A Company Limited by Guarantee)

Notes forming part of the Financial Statements for the Year Ended 31 March 2017 (Continued)

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.

2. Donations and Legacies

	Unrestricted	Restricted	2017 Total	2016 Total
	£	£	£	£
Balfour Beatty	-	-	-	400
Lloyds TSB	-	-	-	6,500
Erewash Borough Council - small grant	-	2,073	2,073	1,000
Asda	-	480	480	300
Screwfix	-	-	-	4,200
EVA	250	-	250	-
Nottinghamshire Community Foundation	3,000	-	3,000	250
General Donations (including Gift Aid)	162,639	-	162,639	36,578
	<u>165,889</u>	<u>2,553</u>	<u>168,442</u>	<u>49,228</u>

3. Income from Charitable Activities

	Unrestricted	Restricted	2017 Total	2016 Total
	£	£	£	£
Utility Income	10,661	-	10,661	17,433
Rent				
Housing Benefit	155,939	-	155,939	146,908
	<u>166,600</u>	<u>-</u>	<u>166,600</u>	<u>164,341</u>

Trustee giving during the year totalled £360.

Canaan Trust
(A Company Limited by Guarantee)

Notes forming part of the Financial Statements for the Year Ended 31 March 2017 (Continued)

4. Expenditure

Costs directly allocated to activities	Basis of Allocation	Raising Funds	Rental income and grant income	Support Costs	2017 Total	2016 Total
	£	£	£	£	£	£
Staff Costs	Direct	-	158,449	17,605	176,054	170,377
Rent, Rates and Water	Usage	-	2,872	-	2,872	2,675
Heat, Light, Power	Usage	-	6,887	-	6,887	6,157
Travel Expenses	Direct	-	78	8	86	272
Insurance	Direct	-	3,572	-	3,572	3,511
Cleaning/Housekeeping	Direct	-	1,550	172	1,722	1,693
Property Loan Interest	Direct	-	1,978	219	2,197	2,787
Residents Expenses	Direct	-	429	-	429	906
Training Costs	Direct	-	818	-	818	3,514
Property Maintenance	Direct	-	7,778	-	7,778	8,510
Healthy Living costs	Direct	-	1,632	-	1,632	1,884
Licence fee & DBS checks	Direct	-	44	-	44	-
Consultancy Fees	Direct	-	3,480	-	3,480	2,952
Professional Fees	Direct	-	35	-	35	35
		-	189,602	18,004	207,606	205,273
Support costs allocated to activities						
Fundraising Costs		750	-	-	750	5,264
Stationery, photocopier and office costs	Usage	1,368	2,737	1,368	5,473	4,105
Office Equipment and Maintenance Costs	Usage	1,586	3,170	1,586	6,342	6,974
Computer Expenses	Usage	1,904	3,806	1,904	7,614	4,748
Telephone, Mobile and Broadband	Usage	145	2,178	581	2,904	2,543
Sundry Expenses	Usage	129	66	129	324	307
Charitable Giving	Direct	-	2,100	-	2,100	2,100
Bank Charges	Usage	188	188	188	564	88
Accounting and Payroll	Direct	-	2,754	306	3,060	2,520
Depreciation	Usage	-	697	232	929	1,659
		6,070	17,696	6,294	30,060	30,308
Total Resources Expended		6,070	207,298	24,298	237,666	235,581

Canaan Trust
(A Company Limited by Guarantee)

Notes forming part of the Financial Statements for the Year Ended 31 March 2017 (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 2017	<u>500,852</u>	<u>5,796</u>	<u>21,702</u>	<u>528,350</u>
Depreciation				
Brought forward	-	4,061	19,225	23,286
Charge for the year	-	434	495	2,588
At 31 March 2017	<u>-</u>	<u>4,495</u>	<u>19,720</u>	<u>24,215</u>
Net Book Value				
At 31 March 2016	<u>500,852</u>	<u>1,735</u>	<u>2,477</u>	<u>505,064</u>
At 31 March 2017	<u>500,852</u>	<u>1,301</u>	<u>1,982</u>	<u>504,135</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 £3,246 per annum until April 2018.
- A commitment to a mobile phone contract. The annual rental amount is £273.00.

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 £5,901 (2016: £4,081)

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

	£ 2017	£ 2016
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 £292 during the year which provides cover of up to £250,000.

Canaan Trust
(A Company Limited by Guarantee)

Notes forming part of the Financial Statements for the Year Ended 31 March 2017 (Continued)

14. Debtors

	2017	2016
	£	£
Trade Debtors	13,411	9,641
Other Debtors and Prepayments	62,198	121
	75,609	9,762

15. Creditors: Amounts falling due in one year

	2017	2016
	£	£
Trade Creditors	1,172	499
Taxation and Social Security	2,461	2,972
Other Creditors and Accruals	3,460	3,266
Bank Loan	17,400	17,400
	24,493	24,137

Amounts falling due after one year

	2017	2016
	£	£
Bank Loan		
Due in 1 – 2 years	17,400	17,400
Due in 2 – 5 years	35,068	52,200
Due in over 5 years	-	2,415
	52,468	67,185

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 2017	Total 2016
Tangible Fixed Assets	504,135	-	504,135	505,064
Current Assets	254,493	-	254,493	146,345
Current Liabilities	(24,493)	-	(24,493)	(24,137)
Long term liabilities	(52,468)	-	(52,468)	(67,185)
Net Assets at 31 March 2017	681,667	-	681,667	560,087

Canaan Trust
(A Company Limited by Guarantee)

Notes forming part of the Financial Statements for the Year Ended 31 March 2017 (Continued)

17. Movements in Funds

	At 1 April 2016 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2017 £
<u>Restricted funds</u>					
Erewash Borough Council	-	2,073	2,073		-
Lloyds TSB	3,220	-	3,220		-
Asda	-	480	480		-
<u>Unrestricted funds</u>					
General Fund	556,867	356,693	231,893		681,667
	560,087	359,246	237,666		681,667

Purpose of Restricted Funds

Erewash Borough Council £2,073 – Spent in the year towards flooring.

Lloyds TSB A balance of £3,220 was brought forward and spent on the salary of a pastoral worker.

Asda A £480 donation was spent on Christmas lunch.

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 Warburtons, Greggs, KFC and Nando's for the use of the Charity's residents and other charitable institutions – the value is not quantified.

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