

CANAAN TRUST
(A Company Limited by Guarantee)
UNAUDITED REPORT AND
FINANCIAL STATEMENTS
for the Year Ended 31 March 2018

Charity Number 1105657
Company Number 05169595

CHARITY COMMISSION
FIRST CONTACT
19 NOV 2018
ACCOUNTS
RECEIVED

Canaan Trust
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2018

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 2018 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).

Chairs' Report

The last twelve months has seen the issue of homelessness aired many times on national media. It seems too that this focus is much more sympathetic in that those affected are seen as victims of their circumstance not a cause. This is reflected locally where we find the public are anxious to respond when they meet someone homeless. The Trust regularly receives phone calls giving the location and description of people on the street in Erewash allowing staff to go out and find them offering support.

Local firms and businesses continue their support. As well as the regular collection days at Asda and Tesco, a number of food outlets donate excess goods, including Warburton's Bakery, Greggs, Tesco, Asda, Co-Op, Torino's Pizza, Fresh Logistics and Chetwynd Army Barracks. Links have been established with UPS this year and we have a bid in with their American headquarters which, if successful, would provide a Trust vehicle for the many collections/furniture removals that are needed each week. The local branch of the Loughborough Building Society has adopted the Trust as its Charity of the Year. Kams Autos continues to give support in many ways.

Many generous individuals have continued their support. This year's Sleep Out was a record-breaker with sponsorship approaching £15,000! Many participants now run for Canaan in the Birmingham and Derby Half Marathons and the Nottingham 10K. To all who have donated in any way we give heartfelt thanks.

Negotiations have been concluded with Erewash Borough Council regarding the level of Housing Benefit received as it is several years since this was last reviewed. The Trust will receive a significant increase for 2018/19 and a smaller increase for 2019/20, at which point it is believed the Government will review the payment of the benefit. This is a major area of concern regarding future financial stability for the Trust.

As a Christian-based charity it is our mission to help those in need. The challenges of homelessness continue to grow but we proceed in Faith that those challenges can be met and that The Canaan Trust will be able to support those who need it for many years to come.

Objects and Activities

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

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

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

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

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Report of the Trustees for the year ended 31 March 2018 - Continued

Achievements and Performance

The Trust has had a very successful fundraising year thanks to the generosity of many. The Sleep Out record and the efforts of runners have been mentioned elsewhere but in addition to these many individuals, churches and organisations have donated amounts large and small. We try never to take these for granted and wish to record our grateful thanks to all.

The switch to Barclays Bank has now been completed, the Co-Op account being kept open to receive donations from those we have not been able to contact regarding the changes.

Nelsons' Solicitors have been appointed as Human Resource Consultants. As part of this service they are reviewing our HR policies to ensure they are compliant with current legislation.

Data Protection Policies have been reviewed and modified to ensure compliance with the new regulations.

Smellie Savage have been appointed to host a remote server for Canaan business. The Trustees will have access to their own area on this server so no Canaan documents will be kept on their personal computers.

The Education provision for clients has been developed and become a Life Skills Programme. Increased participation has shown that this is much more relevant to their needs.

Many minor refurbishments have been undertaken at both properties, one major undertaking was the replacement of the roof over the kitchen at Jordan House. This was financed by a variety of grants.

The Trustees wish to place on record their admiration for all the staff in the professional manner in which they have dealt with the many challenges they have faced during the year. Mental Health continues to be a major factor with a number of clients. Their needs are complex and their behaviour is often challenging. Indeed, three individuals have presented as suicidal of whom one nearly succeeded with staff performing CPR until paramedics arrived. At all times staff have risen to these situations finding appropriate solutions to the issues faced.

Historically our core work has been providing accommodation and support to homeless males, helping them to rebuild their lives and move on to independent living. This remains at the heart of what we do. In the last twelve months 26 individuals have been helped to achieve this.

However, the work of the Trust has more recently grown enormously in the area of external support. The age profile of those needing support continues to widen, from teens to seventies, male and female, and the reduction in the support from statutory services has significantly impacted on requests made to the Trust.

The Trust gives out hundreds of food parcels and hygiene packs each month. It is an accommodation address for several people so that they can access services, and an advice centre for those threatened with homelessness. We know of 5 families who have managed to stave off homelessness thanks to interventions by the Trust, including a mother and daughter (about to start GCSE exams) who were about to sleep in a car.

Links continue to be made with other local charities and organisations to distribute goods received if Canaan cannot use them. There are links with 7 hall or street-based "soup kitchens" across the area. Directly and indirectly we estimate the Trust is helping to feed around 400 people per week.

The Trust's many successes this year have been as a result of dedicated work by staff, whole-hearted community involvement and support from local business. Once again, we can't do it enough, the Trustees give grateful thanks to all.

We try to remember always "Homeless lives matter!"

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Trustees' Report for the Year Ended 31 March 2018 - Continued

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 £235,956.

The company's revenue reserve unrestricted fund balance is a surplus of £677,944 at 31 March 2018 which is substantially held as property. The company's deficit for the year totalled £(3,723).

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 2018 the total funds of the Trust were £673,994, a substantial amount of this being represented by fixed assets.

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Trustees' Report for the Year Ended 31 March 2018 - Continued

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.

Short Term

Explore the possibility of providing night shelter accommodation.

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

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

Long Term

Explore how best to use available resources to meet the needs of residential and outreach clients.

Explore other income streams to lessen dependence on donations.

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Report of the Trustees for the Year Ended 31 March 2018

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 (resigned 29.11.2017) 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 FCA, 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 2018

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.

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Trustees' Report for the Year Ended 31 March 2018 - 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:

- 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 2018 was 5 (2017 – 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 (19/09/2018) and signed on its behalf by:

Signature David Gee 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 2018.

Responsibilities and Basis of Report

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

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:-

- 1) Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2) The accounts do not accord with those records; or
- 3) The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirements that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4) The accounts have not been prepared in accordance with the methods and principles of the Statement of recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

D. J. Lockwood
D J Lockwood FCA, FCCA
Chartered Accountant

Dated 8.11.2018

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 2018

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Income							
Donations and Legacies	2	48,815	5,850	54,665	165,889	2,553	168,442
Investment Income		695	-	695	1,218	-	1,218
Income from charitable activities:	3						
Rent & Utilities		153,043	-	153,043	166,600	-	166,600
Fundraising		30,877	-	30,877	22,964	-	22,964
Other Income		16	-	16	22	-	22
Total Incoming Resources		233,446	5,850	239,296	356,693	2,553	359,246
Expenditure							
Raising Funds	4	8,056	-	8,056	6,070	-	6,070
Charitable activities	4	207,020	1,900	208,920	201,525	5,773	207,298
Support Costs	4	26,043	-	26,043	24,298	-	24,298
Total Expenditure		241,119	1,900	243,019	231,893	5,773	237,666
Net income/expenditure and net movement in fund		(7,673)	3,950	(3,723)	124,800	(3,220)	121,580
Reconciliation of funds							
Total fund balances brought forward 1 April 2017	17	681,667	-	681,667	556,867	3,220	560,087
Total fund balances carried forward 31 March 2018	17	673,994	3,950	677,944	681,667	-	681,667

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 2018

		2018		2017	
Notes	£	£	£	£	£
Fixed Assets					
Tangible Assets	9		503,262		504,135
Current Assets					
Debtors	14	7,864		75,609	
Cash at bank and in hand		177,021		178,884	
		184,885		254,493	
Creditors: amounts falling due within one year.	15	10,203		24,493	
Net Current Assets/(Liabilities)			174,682		230,000
Creditors: amounts falling due over one year	15		-		(52,468)
Net Assets			677,944		681,667
Unrestricted funds					
General Funds - General Purposes	17		673,994		681,667
Restricted Funds	17		3,950		-
Total Charity Funds	16		677,944		681,667

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ending 31 March 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 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 19/9/18 and signed on its behalf by:

Mrs D Ross Treasurer and Trustee/Director Anna Ross

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

Canaan Trust
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Notes forming part of the Financial Statements for the Year Ended 31 March 2018

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.

Going Concern

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.

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Notes forming part of the Financial Statements for the Year Ended 31 March 2018 - 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.

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Notes forming part of the Financial Statements for the Year Ended 31 March 2018 - 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 £	2018 Total £	2017 Total £
Puddle Lane Trust	-	5,000	5,000	-
Breaston PPCC	1,100	-	1,100	-
Erewash Borough Council - small grant	-	850	850	2,073
Asda	-	-	-	480
Help Homeless Ltd	1,500	-	1,500	-
EVA	-	-	-	250
Nottinghamshire Community Foundation	-	-	-	3,000
General Donations (including Gift Aid)	46,215	-	46,215	162,639
	48,815	5,850	54,665	168,442

3. Income from Charitable Activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Utility Income	7,159	-	7,159	10,661
Rent				
Housing Benefit	145,884	-	145,884	155,939
	153,043	-	153,043	166,600

Trustee giving during the year totalled £730 (2017: £360).

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Notes forming part of the Financial Statements for the Year Ended 31 March 2018 - Continued

4. Expenditure

	Basis of Allocation	Raising Funds	Rental income and grant income	Support Costs	2018 Total	2017 Total
Costs directly allocated to activities	£	£	£	£	£	£
Staff Costs	Direct	-	163,769	18,199	181,968	176,054
Rent, Rates and Water	Usage	-	3,022	-	3,022	2,872
Heat, Light, Power	Usage	-	5,528	-	5,528	6,887
Travel Expenses	Direct	-	213	23	236	86
Insurance	Direct	-	3,605	-	3,605	3,572
Cleaning/Housekeeping	Direct	-	1,682	187	1,869	1,722
Property Loan Interest	Direct	-	899	99	998	2,197
Residents Expenses	Direct	-	1,315	-	1,315	429
Training Costs	Direct	-	1,100	-	1,100	818
Property Maintenance	Direct	-	2,727	-	2,727	7,778
Healthy Living costs	Direct	-	1,342	-	1,342	1,632
Licence fee & DBS checks	Direct	-	-	-	-	44
Consultancy Fees	Direct	-	3,697	-	3,697	3,480
Professional Fees	Direct	-	35	-	35	35
			188,934	18,508	207,442	207,606
Support costs allocated to activities						
Fundraising Costs		1,695	-	-	1,695	750
Stationery, photocopier and office costs	Usage	1,511	3,022	1,511	6,044	5,473
Office Equipment and Maintenance Costs	Usage	2,935	5,871	2,935	11,741	6,342
Computer Expenses	Usage	1,416	2,833	1,416	5,665	7,614
Telephone, Mobile and Broadband	Usage	170	2,556	682	3,408	2,904
Sundry Expenses	Usage	114	56	114	284	324
Charitable Giving	Direct	-	2,100	-	2,100	2,100
Bank Charges	Usage	215	216	216	647	564
Accounting and Payroll	Direct	-	2,808	312	3,120	3,060
Depreciation	Usage	-	524	349	873	929
		8,056	19,986	7,535	35,577	30,060
Total Resources Expended		8,056	208,920	26,043	243,019	237,666

Canaan Trust
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Notes forming part of the Financial Statements for the Year Ended 31 March 2018 - Continued

5. Net Incoming Resources for the year

This is stated after charging

	2018	2017
	£	£
Depreciation	873	929
Reporting Accountants Fee	2,160	2,160
Payroll Preparation Fees	960	900

6. Staff Costs and Numbers

	£	£
Salaries	165,843	163,146
Pension Costs	8,324	5,901
Employers National Insurance	7,801	7,007
	<u>181,968</u>	<u>176,054</u>

Average number of paid full and part time employees in the year

	18	17
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The cost of one employee is partly charged to support costs. The others are included in charitable activities. (note 4)

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

Total remuneration of key management personnel in the year was £61,366 (2017: £61,065).

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 2018 - 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 2018	<u>500,852</u>	<u>5,796</u>	<u>21,702</u>	<u>528,350</u>
Depreciation				
Brought forward	-	4,495	19,720	24,215
Charge for the year	-	396	477	873
At 31 March 2018	<u>-</u>	<u>4,891</u>	<u>20,197</u>	<u>25,088</u>
Net Book Value				
At 31 March 2018	<u>500,852</u>	<u>905</u>	<u>1,505</u>	<u>503,262</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 £3,485 per annum until April 2019.
- A commitment to a mobile phone contract. The annual rental amount is £280.44.

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 £8,324 (2017: £5,901).

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

	£ 2018	£ 2017
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 £328.67 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 2018 (Continued)

14. Debtors

	2018	2017
	£	£
Trade Debtors	4,797	13,411
Other Debtors and Prepayments	3,067	62,198
	<u>7,864</u>	<u>75,609</u>

15. Creditors: Amounts falling due in one year

	2018	2017
	£	£
Trade Creditors	3,799	1,172
Taxation and Social Security	2,982	2,461
Other Creditors and Accruals	3,422	3,460
Bank Loan	-	17,400
	<u>10,203</u>	<u>24,493</u>

Amounts falling due after one year

	2018	2017
	£	£
Bank Loan Due in 1 – 2 years	-	17,400
Due in 2 – 5 years	-	35,068
	<u>-</u>	<u>52,468</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 2018	Total 2017
	£	£	£	£
Tangible Fixed Assets	503,262	-	503,262	504,135
Current Assets	180,935	3,950	184,885	254,493
Current Liabilities	(10,203)	-	(10,203)	(24,493)
Long term liabilities	-	-	-	(52,468)
Net Assets at 31 March 2018	<u>673,994</u>	<u>3,950</u>	<u>677,944</u>	<u>681,667</u>

Canaan Trust
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Notes forming part of the Financial Statements for the Year Ended 31 March 2018 (Continued)

17. Movements in Funds

	At 1 April 2017 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2018 £
<u>Restricted funds</u>	-	5,850	1,900	-	3,950
<u>Unrestricted funds</u>	681,667	233,446	241,119	-	673,994
General Fund	681,667	239,296	243,019	-	677,944

Purpose of Restricted Funds

Funds were given in the year of £850 by Erewash Borough Council to purchase beds. These funds were all spent. An amount of £5,000.00 was given by The Puddle Trust for IT tutoring; a balance of £3,950 is carried forward.

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.