

**Canopy Housing Project Limited**  
**(Operating as Canopy Housing)**  
**Report and Financial Statements**  
**for the year ended 31 December 2023**

**Registered Society Number: IP28665R**

**Canopy Housing Project Limited**  
**31 December 2023**  
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**Canopy Housing Project Limited**  
**31 December 2023**  
**Board of Management and Advisers**

<b>Board of Management (Trustees)</b>	Andrea Cowans (Chair), appointed 27 June 2023 Bridget Relton (Secretary), deceased 27 October 2023 Danielle Joy (Treasurer) Martyn Broadest Lyn Charters (Secretary) Keith Gibson Leroy Ivanov Anna Lysakowska, resigned 15 January 2024 Janet Onslow Mark Rutherford Kinga Salisbury Mhairi Tomlinson
<b>Chief Executive</b>	David Nugent
<b>Registered Office</b>	66 Burley Lodge Road Leeds LS6 1QF
<b>Independent Auditor</b>	Sagars Accountants Ltd. Gresham House 5-7 St Pauls Street Leeds LS1 2JG
<b>Bank</b>	The Co-operative Bank plc Olympic House 6 Olympic Court Montford Street Salford M5 2QP  Unity Trust Bank Plc. Nine Brindleyplace Birmingham B1 2HB

# Canopy Housing Project Limited

## Report of the Board of Management for the year ended 31 December 2023

The Board of Management is pleased to present the annual report together with the audited financial statements for the year ended 31 December 2023. The financial statements comply with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

### Structure, governance and management

The Canopy Housing Project Limited (Canopy) is a registered Society under the Co-operative and Communities Benefit Societies Act 2014. Canopy's details are available on the Mutuals Public Register held with the Financial Conduct Authority under registration number 28665R and has charitable status with HMRC.

Governance of Canopy Housing Project Limited (Canopy) is laid out in a document known as the Rules of The Canopy Housing Project. The Rules require Canopy to be managed by the Board of Management (the Board) which shall have not less than three and no more than twelve members. A board member shall hold office until the end of the Annual General Meeting three years after their election. Retiring members shall be eligible for re-election once at the Annual General Meeting at which they retire.

### Methods adopted for recruitment

New board members are sought to fill any post vacated or to address any identified need in skills, knowledge, or experience that the Board deems required to best fulfil their responsibilities. Prospective board members are invited to visit Canopy, receive briefings on its activities and are asked to attend a Board meeting. Terms are staggered, with the intention that one third of the membership retire at each AGM. Board members have the power to co-opt new board members during the course of the year.

### Policies and procedures adopted for the induction and training of members

Upon appointment, new board members complete an induction programme as approved by the Board. This will include visits to Canopy and participation in Canopy's activities where appropriate; attending meetings with, and receiving appropriate briefings from, Canopy's beneficiaries and staff members; and receiving copies of Canopy's rules and relevant policies and procedures.

### Organisational structure

Canopy is organised so that the Board and its two subcommittees, three sub-groups and members' panel meet regularly to manage its affairs. Canopy employs a Chief Executive who is responsible for co-ordinating the society's staff and the services it delivers.

The Board believes that Canopy meets the definition of a public benefit entity under FRS 102.

### Risk review

The Board has carried out ongoing assessments of the Canopy's activities setting out the major opportunities available to Canopy and the risks to which it is exposed. These risks are identified in the risk register, which is reviewed regularly by the Finance and Risk Subcommittee and presented to the full Board periodically.

Currently, the principal risks and uncertainties identified are:

- An increase in lending rates jeopardising the society's ability to maintain its banking covenants and operate profitably.
- Restrictions on rental income because of government or local authority policy changes.
- Inflationary cost increases impacting the ability to deliver projects within budget.
- Failure to attract funding leading to an inability to deliver capital projects.

# Canopy Housing Project Limited

## Report of the Board of Management for the year ended 31 December 2023 (continued)

The Board members have considered their responsibilities under legislation including health and safety, employment law and safeguarding. Systems and procedures have been implemented to manage specific risks that have been identified, including training for all appropriate persons as necessary.

### Key Management Personnel

The Board considers David Nugent (Chief Executive), Sharon Whitehurst (Operations Manager), Alex Leccardi (Properties Manager), Stuart Hall (Finance Manager) and Rosie Scurfield (Project Development Manager) as comprising the key management personnel of Canopy, in charge of directing and controlling Canopy and running and operating it on a day-to-day basis.

The pay of Canopy's key management personnel is reviewed annually and normally increased in line with inflation. During 2023, a benchmarking exercise was undertaken to compare Canopy's salaries with those paid by similarly sized not-for-profits in the Yorkshire and Humber region. The recommendations from that review will be fully implemented in 2024.

### Objectives and Activities

The rules of Canopy Housing state that the objects of Canopy shall be the relief of persons in necessitous circumstances who are homeless or inadequately housed, especially young persons in housing need, in particular through the renovation of property, including Social Housing, for occupancy by such persons.

The Board has given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

### Achievements and Performance

Over the course of the year, Canopy rehoused six homeless households; offered training to more than seventy volunteers and self-helpers; converted an office block into three warm, affordable, long-term homes for people in severe housing need; and carried out major planned repairs, such as new thermally efficient doors and windows, new kitchens and bathrooms, new roofs and efficient and effective boilers, to twenty-two properties from within our existing housing stock.

Canopy is in a strong financial position, controlling £6.8m in fixed assets and generating annual rental income of approximately £788k. Towards the end of the year, we secured a third tranche of recycled right-to-buy funding, that will provide 40% towards the capital costs of purchasing and retrofitting twelve more empty homes. With Land Aid contributing £100K towards our development programme in return for rehousing 16–25-year-old homeless people, and Unity Trust Bank extending our loan facility, we are set fair to continue our development programme for the next three years. Our target of 100 homes in management is getting closer, improving our financial stability and allowing us to develop our work with disadvantaged people in the more deprived areas of Leeds.

As ever our volunteer programme remains central to our work and has grown towards our pre-Covid pandemic levels. Over the course of the year 71 volunteers worked 1,000 days on site, helping deliver superb homes to their community. Of those volunteers, 41 were new to Canopy with 19 gaining employment or entering higher education. Most of our volunteers and self-helpers come from deprived backgrounds in underprivileged areas and many are long-term unemployed, so we are proud to continue our focus on supporting them in improving their wellbeing, accessing training and moving towards employment. We are eternally grateful to our generous funders (See Note 4), without whom we simply could not do what we do.

We'd also like to mention and thank the dedication and hard work of our staff team in delivering our development programme and supporting our tenants and volunteers. Having successfully trained two new Properties Workers last year, we will be taking on two new trainees in the New Year with a view to expanding the number of sites across Leeds where we can operate.

## Canopy Housing Project Limited

### Report of the Board of Management for the year ended 31 December 2023 (continued)

During the year everyone involved with Canopy was shocked and saddened at the passing of former employee and Board of Management member Bridget Relton. Everyone at Canopy wishes to express their thanks to Bridget for her amazing contribution to the organisation and our deepest condolences to her family and close friends. To remember Bridget Canopy intends to place a blue plaque at its office and name a volunteer event or volunteer award after her. Thank you Bridget.

Late in the year, we were delighted to be awarded a £200K grant from the Energy Redress Fund. This will support our retrofit programme and help us develop a 'Canopy Guide to Retrofit' that, combined with workshops and training, will equip organisations across the UK to retrofit empty homes with teams of volunteers and self-helpers using natural bio-based materials, just like Canopy. The grant has also allowed us to recruit a retrofit coordinator, improving the technical quality of our retrofit work.

With the financial markets remaining volatile, we have prepared more detailed scenario planning and conducted increased stress-testing to ensure our reserves continue to be sustainable throughout the year and into the future. As in previous years our contingency for the worst-case scenario would be to consider reducing staffing levels. In extremis, several of our properties remain unencumbered and could be sold if needs be.

The Board considers the viability of Canopy is not under threat. The reliance on grants has been maintained at around 1/3 of annual income, the remainder coming from steady rental income from its properties. We increased our loan facility to £2.3M with Unity Trust Bank, of which £1.4M has been drawn down at the year-end allowing us to continue purchasing and refurbishing properties.

#### Plans for future periods

As always we are passionate about making a difference to people's lives, improving the neighbourhoods in which we work, strengthening communities, creating decent, affordable homes and making Leeds a great place to live. We consider our over-arching priorities are to:

- Become a pioneer in eco-housing and development,
- Be diverse and reflect the communities we serve,
- Remain viable and continue doing what we do best, and
- Use tenant and volunteer perspectives to improve our services.

The Right-to-Buy Development Programme, our Energy Redress project and an expanded volunteering and training offer will keep us busy over the next few years, helping address these priorities. We will continue seeking a more appropriate base with workshop and storage spaces alongside better facilities for our volunteers. We are also looking at ways to help facilitate new-build developments to sit alongside our more traditional stock, diversifying our asset base and allowing us to offer fresh experiences to our valued self-helpers, volunteers and trainees.

#### Financial Review

The surplus reported for the year is £192,407 (2022: £169,738). Canopy's funds at 31 December 2023 were £5,332,073 (2022: £5,139,666), represented mainly by residential properties.

Rental income, the Right to Buy Programme and grant funding has supported Canopy's activities during the year. During this time, Canopy's rental income has grown and its housing stock has increased. At the end of the year, Canopy has sufficient assets to fulfil both its obligations related to the restricted funds and to continue its ongoing work and development.

#### Principal Funding Sources

Within the year, Canopy has been funded apart from rental income, from various sources including Leeds City Council, the Nationwide Building Society, Jimbo's Fund and the National Lottery Community Fund distributed by Big Issue Invest.

**Canopy Housing Project Limited**  
**Report of the Board of Management for the year ended 31 December 2023**  
**(continued)**

## **Fundraising**

Canopy strives to achieve the highest fundraising standards. Canopy stays up to date with developments in regulation, data protection and the Fundraising Preference Service (FPS) to make sure it is legally compliant and adhering to all guidelines. Canopy follows the Institute of Fundraising's Code of Practice. No complaints regarding fundraising activities have been received during the year.

## **Reserves policy**

During the year the Board released Designated Reserves which were no longer required. The Board also updated the Reserves Policy with the aim of building financial resilience to cover potential shortfalls in trust funding. The updated policy requires that unrestricted funds not committed or invested in tangible fixed assets ("the free reserves") should be equivalent to three months' of current annual expenditure. At 31 December this equated to £193,861 in general funds. The free reserves at the balance sheet date, before taking into account of long-term liabilities, amounted to (£15,381) (2022: £17,765). Following benchmarking and professional advice, Canopy has increased its rents and service charges significantly from July 2024. This should help build free reserves over the short to medium term.

## **Statement of Board Responsibilities**

The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Canopy as at the end of the financial year and of its income and expenditure for the year ended on that date. In preparing those financial statements, the Board has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepared the financial statements on a going concern basis, unless it is inappropriate to presume that Canopy will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Canopy. It is also responsible for safeguarding the assets of Canopy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who are Trustees at the time when this Board of Management report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which Canopy's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that Canopy's auditors are aware of that information.

The report was approved by the Board and signed on its behalf by:

Andrea Cowans (Chair)	Date:
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**Canopy Housing Project Limited**  
**31 December 2023**  
**Independent Auditor's Report to the Members of Canopy Housing**

## **Opinion**

We have audited the financial statements of The Canopy Housing Project Limited (Canopy) for the year ended 31 December 2023 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the charities SORP.

In our opinion, the financial statements:

- show a true and fair view of the state of the Canopy's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of Canopy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Canopy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

## **Other information**

The Board is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



**Canopy Housing Project Limited**  
**31 December 2023**  
**Independent Auditor's Report to the Members of Canopy Housing (continued)**

### **Opinions on other matters**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Board report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Board's report has been prepared in accordance with applicable legal requirements.

### **Matters on which we report by exception**

In the light of the knowledge and understanding of Canopy and its environment obtained in the course of the audit, we have not identified material misstatements in the Board's Annual Report.

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosure of the Board's remuneration specified by law are not made; or
- We have not obtained all the information and explanations necessary for the purposes of our audit.

### **Responsibilities of the Board of Management**

As explained more fully in the statement of the Board responsibilities on page 6, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing Canopy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate Canopy or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of identifying irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

**Canopy Housing Project Limited**  
**31 December 2023**  
**Independent Auditor's Report to the Members of Canopy Housing (continued)**

We obtained an understanding of the legal and regulatory frameworks within which Canopy operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Co-Operative and Community Benefit Societies Act 2014 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to Canopy to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were landlord and tenant legislation, health and safety regulations, employment legislation and requirements from funders.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board of Management and other management, and inspection of regulatory and legal correspondence, if any.

We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be with the timing of recognition of rental income, matters of health and safety and regulatory considerations, and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Board of Management about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing tenancy agreements and carrying out detailed substantive testing on the completeness of income,
- reading minutes of meetings of those charged with governance; and
- obtaining confirmation from the trustees that there was no regulatory correspondence with the Financial Conduct Authority or any other regulatory bodies.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Canopy Housing Project Limited**  
**31 December 2023**  
**Independent Auditor's Report to the Members of Canopy Housing (continued)**

**Use of our report**

This report is made solely to Canopy's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to Canopy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Canopy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Daniels LLB FC CTA (Senior Statutory Auditor)  
For and on behalf of  
Sagars Accountants Ltd  
Chartered Accountants and Statutory Auditor  
Gresham House  
5-7 St Pauls Street  
Leeds  
LS1 2JG

Date

**Canopy Housing Project Limited**  
**31 December 2023**  
**Statement of Financial Activities for the year ended 31 December 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Income</b>							
Donations and Legacies		4,923	-	4,923	3,903	-	3,903
Charitable activities	4	788,211	174,180	962,391	718,740	227,267	946,007
Other		535	-	535	1,654	-	1,654
<b>Total income</b>		<b>793,669</b>	<b>174,180</b>	<b>967,849</b>	<b>724,297</b>	<b>227,267</b>	<b>951,564</b>
<b>Expenditure on:</b>							
Raising funds		(22,637)	-	(22,637)	(23,778)	-	(23,778)
Charitable activities	5	(664,672)	(88,133)	(752,805)	(675,469)	(82,579)	(758,048)
<b>Total expenditure</b>		<b>(687,309)</b>	<b>(88,133)</b>	<b>(775,442)</b>	<b>(699,247)</b>	<b>(82,579)</b>	<b>(781,826)</b>
<b>Net income and net movement in funds</b>	7	<b>106,360</b>	<b>86,047</b>	<b>192,407</b>	<b>25,050</b>	<b>144,688</b>	<b>169,738</b>
<b>Reconciliation of funds:</b>	15						
Total funds brought forward		486,611	4,653,030	5,139,641	461,561	4,508,342	4,969,903
<b>Total funds carried forward</b>		<b>592,971</b>	<b>4,739,077</b>	<b>5,332,048</b>	<b>486,611</b>	<b>4,653,030</b>	<b>5,139,641</b>

The notes on pages 14 to 27 form an integral part of these financial statements.

There were no recognised gains or losses for the year to 31 December 2023 (2022: £nil) other than those included in the Statement of Financial Activities.

All income and expenditure derives from continuing activities.

**Canopy Housing Project Limited**  
**31 December 2023**  
**Balance Sheet as at 31 December 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	9	6,795,107	6,410,678
<b>Current assets</b>			
Debtors	10	146,179	89,961
Cash at bank and in hand		111,219	68,647
Creditors: Amounts falling due within one year	11	(435,877)	(203,965)
<b>Net current assets/(liabilities)</b>		<b>(178,479)</b>	<b>(45,357)</b>
Creditors: Amounts falling due after more than one year	12	(1,284,555)	(1,225,655)
<b>Total assets</b>		<b>5,332,073</b>	<b>5,139,666</b>
<b>Represented by:</b>			
Share capital	14	25	25
<b>Unrestricted funds:</b>			
General	15	592,971	433,010
Designated	15	-	53,601
		<b>592,971</b>	<b>486,611</b>
<b>Restricted funds:</b>	15	4,739,077	4,653,030
<b>Total funds</b>		<b>5,332,073</b>	<b>5,139,666</b>

The notes on pages 14 to 27 form an integral part of these financial statements.

Approved by the Board and signed on its behalf:

Board Member	Date:
Board Member	Date:
Board Member	Date:

**Canopy Housing Project Limited**  
**31 December 2023**  
**Statement of Cash Flows for the year ended 31 December 2023**

	Note	2023 £	2022 £
<b>Net cash provided by operating activities</b>	<b>18</b>	<b>378,984</b>	<b>129,421</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(384,429)	(340,368)
Interest paid		(88,134)	(43,028)
<b>Net cash (used in) investing activities</b>		<b>(472,563)</b>	<b>(383,396)</b>
<b>Cash flows from financing activities</b>			
New borrowing		152,122	284,975
Repayment of borrowing		(15,971)	(45,255)
Redemption of shares		-	(90)
<b>Net cash provided by financing activities</b>		<b>136,151</b>	<b>239,630</b>
<b>(Decrease)/Increase in cash and cash equivalents</b>		<b>42,572</b>	<b>(14,345)</b>
Cash and cash equivalents brought forward		68,647	82,992
<b>Cash and cash equivalents carried forward</b>		<b>111,219</b>	<b>68,647</b>

**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements**

**1. 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 applicable in the UK and Republic of Ireland (FRS 102) (“charities SORP (FRS102)”, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Co-operative and Community Benefit Societies Act 2014.

The financial statements have been prepared on the going concern basis. The Board considers that there are no material uncertainties about Canopy’s ability to continue as a going concern. The board members have prepared financial projections to December 2026, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable Canopy to continue in operation existence for the foreseeable future and have adequate contingency plans in the event that income streams are reduced.

**2. Identification of the financial statements**

Canopy is a Registered Society under the Co-operative and Community Benefits Societies Act 2014 and has charitable status. Canopy meets the definition of a public benefit entity under FRS 102.

**3. Accounting policies**

The principal accounting policies of Canopy are as follows:

- (i) Canopy’s functional and presentation currency is pounds sterling. Monetary amounts in these financial statements are rounded to the nearest £1.
- (ii) Estimates and Assumptions
  - In the application of Canopy’s accounting policies, the board members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience, and factors that are considered to be relevant. Actual results may differ from these estimates.
  - The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.
  - It continues to be Canopy’s policy not to provide depreciation on freehold or leasehold property as, in the opinion of the board members, the estimated residual value of property at the end of its economic life is expected to be at least its carrying value meaning that any depreciation charge would be immaterial.
- (iii) Income:
  - Grants, donations and associated gift aid are recognised when Canopy becomes entitled to receive the funds, when it is probable that the funds will be received and they their value can be measured with sufficient certainty.
  - Interest is recognised on an accruals basis.
  - Donated assets are recognised at the fair value of the gift in the period the donated assets are received.
  - No amounts are included for the contribution of volunteers and the free use of facilities and equipment received by Canopy.

**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements (continued)**

(iv) Expenditure:

- Expenditure is recognised on an accruals basis and includes attributable VAT which cannot be recovered.
- Charitable expenditure comprises those costs incurred by Canopy in delivering of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

(v) Fund accounting

- Unrestricted funds are rental income and other income receivable or generated for the objects of Canopy without further specified purpose and are available as general funds.
- Designated funds are unrestricted funds earmarked by the board for particular purposes.
- Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

(vi) Operating leases

Rentals under leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account as incurred.

(vii) Staff costs

- The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.
- A defined contribution pension scheme is available to employees. The assets of this scheme are held separately from those of Canopy. Pension costs charged in the Statement of Financial Activities represent contributions payable by Canopy during the year.

(viii) Fixed assets and depreciation:

- Housing properties including improvement works are stated at cost.
- No depreciation is charged on freehold property. The remaining useful lives of Canopy's buildings are considered to be greater than 50 years and the residual value is estimated to be such that any charge to depreciation would be immaterial.
- Other tangible assets are stated at costs less depreciation. Items costing more than £750 are capitalised.
- Renovation costs (materials and directly attributable costs such as labour) are capitalised where Canopy has purchased the property. Costs incurred the renovation of properties not owned are expensed in the year they are incurred.
- Depreciation is charged at the following annual rates in order to write off the original cost less any residual value over the expected useful life of the asset:

Motor Vehicles	33% straight line
Computer & other equipment	30% straight line

(ix) Financial instruments

Canopy has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

(x) Cash at bank and in hand includes cash and short term highly liquid investments with a maturity within 12 months after the balance sheet date.

(xi) Debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any discounts due.



**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements (continued)**

(xii) Creditors, loans and provisions

- Creditors, loans and provisions are recognised where Canopy has a present obligation resulting from a past event that will probably result in the transfers of such funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement value after allowing for any discounts which may be due.
- Financial liabilities are only derecognised when, and only when, Canopy's obligations are discharged, cancelled or they expire.
- Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.
- As permitted by paragraph 34.90 of FRS 102, concessionary loans are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for an impairment.

(xiii) Taxation

Canopy has charitable status and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, it is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements (continued)**

**4. Income from charitable activities**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>Rental income</b>	<b>787,211</b>	-	<b>787,211</b>
<b>Grants and contracts:</b>			
The Nationwide Foundation	-	7,500	7,500
Jimbo's Fund	-	20,000	20,000
Energy Redress Trust	-	7,837	7,837
Household Support Fund – Cost of Living Leeds Grant	-	5,000	5,000
Housing Fund Grant – Volition Leeds	-	5,000	5,000
Postcode Lottery	-	20,070	20,070
The Right to Buy Programme	-	108,773	108,773
The Co-operative Bank	1,000	-	1,000
<b>Total grants and contracts</b>	<b>1,000</b>	<b>174,180</b>	<b>175,180</b>
<b>Total income</b>	<b>788,211</b>	<b>174,180</b>	<b>962,391</b>

The comparative figures were:

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Rental income</b>	<b>718,440</b>	-	<b>718,440</b>
<b>Grants and contracts:</b>			
The Nationwide Foundation	-	50,000	50,000
Jimbo's Fund	-	19,500	19,500
Leeds City Council "Green Deal" Fund	-	14,667	14,667
Liz & Terry Bramall Foundation	-	9,100	9,100
Community Fund – The Big Issue Invest	-	35,000	35,000
The Right to Buy Programme	-	99,000	99,000
Leeds MENCAP	300	-	300
<b>Total grants and contracts</b>	<b>300</b>	<b>227,267</b>	<b>227,567</b>
<b>Total income</b>	<b>718,740</b>	<b>227,267</b>	<b>946,007</b>

**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements (continued)**

**5. Expenditure on charitable activities**

	Basis of allocation	Projects, renovations, and houses 2023 £	Tenant and volunteer support 2023 £	Total 2023 £
<b>Costs directly allocated to activities:</b>				
Salaries	Direct	163,129	140,256	303,385
House renovations	Direct	204,306	-	204,306
Other	Direct	744	7,370	8,114
Professional fees	Direct	13,318	-	13,318
Loan interest	Direct	88,134	-	88,134
Insurance	Direct	14,048	739	14,787
Travel and motor expenses	Direct	3,649	1,239	4,888
Training	Direct	5,231	581	5,812
Tenant support	Direct	-	10,288	10,288
Volunteer costs	Direct	-	5,213	5,213
Arrears write off/provisions	Direct	(3,910)	-	(3,910)
Office equipment and supplies	Direct	401	1,532	1,933
Office utilities and rent	Direct	1,907	1,907	3,814
Support costs (Note 6)	Time	48,216	44,507	92,723
<b>Total expenditure</b>		<b>539,173</b>	<b>213,632</b>	<b>752,805</b>

	Basis of allocation	Projects, renovations, and houses 2022 £	Tenant and volunteer support 2022 £	Total 2022 £
<b>Costs directly allocated to activities:</b>				
Salaries	Direct	165,372	145,738	311,110
House renovations	Direct	247,463	-	247,463
Other	Direct	1,194	3,035	4,229
Professional fees	Direct	15,471	-	15,471
Loan interest	Direct	43,028	-	43,028
Insurance	Direct	13,965	735	14,700
Travel and motor expenses	Direct	3,426	1,956	5,382
Training	Direct	5,160	573	5,733
Tenant support	Direct	-	1,013	1,013
Volunteer costs	Direct	-	5,671	5,671
Arrears write off/provisions	Direct	10,931	-	10,931
Office equipment and supplies	Direct	525	1,125	1,650
Depreciation	Direct	100	-	100
Office utilities and rent	Direct	2,854	2,854	5,708
Support costs (Note 6)	Time	43,788	42,071	85,859
<b>Total expenditure</b>		<b>553,277</b>	<b>204,771</b>	<b>758,048</b>

**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements (continued)**

**6. Analysis of support costs**

	Basis of allocation	2023 £	2022 £
<b>Costs directly allocated to activities:</b>			
Staff costs	Direct	63,662	60,294
Travel	Direct	1,239	1,956
Legal and professional	Direct	7,451	6,983
Other	Direct	3,093	2,084
Office utilities	Direct	3,814	5,707
Office supplies and IT	Direct	13,464	8,835
<b>Total support costs</b>		<b>92,723</b>	<b>85,859</b>

**7. Net income for the year**

This is stated after charging:

	2023 £	2022 £
Auditors' remuneration:		
Audit	7,114	6,840
Depreciation of tangible fixed assets	-	100

**8. Staff costs**

	2023 £	2022 £
Wages and salaries	377,302	369,472
Social security costs	27,212	27,646
Pension costs	17,932	17,621
	<b>422,446</b>	<b>414,739</b>

No employees received emoluments in excess of £60,000 (2022: no employees).

Wages and salaries costs of £11,740 (2022: £11,120) have been spent on raising funds and £43,704 (2022: £32,358) has been capitalised in respect of property improvements. These costs are not included in note 5.

The average number of employees, analysed by function was:

	2023	2022
Project manager, finance, administration and development	5	5
Tenant and volunteer support	4	4
Projects and renovations	4	4
	<b>13</b>	<b>13</b>

**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements (continued)**

**8. Staff costs - continued**

The number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each remuneration band were as follows:

	2023	2022
£10,000 to £20,000	7	5
£20,001 to £30,000	6	7
£30,001 to £40,000	2	2
£40,001 to £50,000	1	1
£50,001 to £60,000	0	0
	<b>16</b>	<b>15</b>

The board considers its key management personnel to comprise the Chief Executive, Operations Manager, Properties Manager, the Support Manager and the Finance Manager. The total employee benefits of key management personnel during the year was £182,808 (2022: £173,759).

No board member received any remuneration or benefits during the year (2022: £nil). Costs totalling £63.10 were reimbursed to one trustee (2022: £34.20).

**9. Tangible Fixed Assets**

	Property £	Motor vehicles £	Computer and office equipment £	Total £
Cost at 1 January 2023	6,410,678	49,649	5,401	6,465,728
Additions	384,429	-	-	384,429
Cost at 31 December 2023	6,795,107	49,649	5,401	6,850,157
Depreciation at 1 January 2023	-	49,649	5,401	55,050
Charge for the year	-	-	-	-
Depreciation at 31 December 2023	-	49,649	5,401	55,050
Net book value at 31 December 2022	6,410,678	-	-	6,410,678
Net book value at 31 December 2023	6,795,107	-	-	6,795,107

**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements (continued)**

**10. Debtors**

	2023 £	2022 £
Debtors	19,110	15,095
Prepayments and accrued income	127,069	74,866
	<b>146,179</b>	<b>89,961</b>

**11. Creditors: amounts falling due within one year**

	2023 £	2022 £
Trade creditors	39,695	39,249
Social security and other taxes	12,641	9,863
Deferred income (see note 13)	-	2,002
Other creditors and accruals	203,477	50,038
Concessionary, unsecured loan - Quaker Housing Trust (note 12)	1,000	1,000
Concessionary, secured loan - Leeds City Council (note 12)	23,530	11,765
Secured bank loans – Unity Trust (note 12)	155,534	90,048
	<b>435,877</b>	<b>203,965</b>

**12. Creditors: amounts falling due after more than one year**

	2023 £	2022 £
Concessionary, unsecured loan - Quaker Housing Trust	5,000	6,000
Concessionary, secured loan - Leeds City Council	141,175	152,940
Secured bank loans – Unity Trust	1,138,380	1,066,715
	<b>1,284,555</b>	<b>1,225,655</b>

An unsecured concessionary loan was obtained from Quaker Housing Trust in 2019. The loan is unsecured, interest free and repayable in equal instalments over 10 years. A balance of £6,000 (2022: £7,000) remains outstanding at the year end.

A concessionary interest free secured loan was obtained from Leeds City Council in 2015. The loan is to be repaid over 17 years in equal instalments and is secured by way of legal charge over seven leasehold properties. The first payment was made in 2020 and a balance of £164,705 (2022: £164,705) remains outstanding at the year end.

The loans from Unity Trust are subject to a variable rate of interest and secured by way of legal charges over seventeen freehold properties and 39 leasehold properties. A balance of £1,293,914 (2022: £1,156,763) remained outstanding at the year end.

At 31 December 2023 the loans were repayable as follows:

**Canopy Housing Project Limited**  
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**Notes to the financial statements (continued)**

**12. Creditors: amounts falling due after more than one year - continued**

	2023 £	2022 £
In one year or less	180,064	102,813
Between one and five years	551,400	359,382
After five years	733,155	866,273
	1,284,555	1,225,655
	<b>1,464,619</b>	<b>1,328,468</b>

**13. Deferred income**

	2023 £	2022 £
Balance at 1 January 2023	2,002	36,676
Amount released to income	(2,002)	(36,676)
Amount deferred during the year	-	2,002
<b>Balance at 31 December 2023</b>	<b>-</b>	<b>2,002</b>

Deferred income relates to rent income received in advance.

**14. Share capital**

	2023 £	2022 £
Members' share capital as at 1 January	25	25
<b>Members' share capital at 31 December</b>	<b>25</b>	<b>25</b>

**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements (continued)**

**15. Reconciliation of funds**

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers	Balance at 31 December 2023 £
<b>Restricted funds</b>					
Community Fund – The Big Issue Invest	16,303	-	(16,303)	-	-
Energy Saving Trust - Energy Redress Scheme	-	7,837	(7,837)	-	-
Household Support Fund – Cost of Living Leeds Grant	-	5,000	(5,000)	-	-
Housing Fund Grant – Volition Leeds	-	5,000	(1,000)	-	4,000
LandAid Charitable Trust	41,200	-	-	-	41,200
Leeds City Council leases	3,241,627	-	-	-	3,241,627
Postcode Lottery	-	20,070	(13,380)	-	6,690
The Empty Homes Community Grants Programme	187,000	-	-	-	187,000
The Empty Homes Community Properties Programme	600,000	-	-	-	600,000
The Right to Buy Programme	535,411	108,773	-	-	644,184
Liz & Terry Bramall Foundation	9,100	-	-	-	9,100
Jimbo’s Fund	-	20,000	(14,724)	-	5,276
The Nationwide Foundation	22,389	7,500	(29,889)	-	-
<b>Total restricted funds</b>	<b>4,653,030</b>	<b>174,180</b>	<b>(88,133)</b>	<b>-</b>	<b>4,739,077</b>
<b>Unrestricted funds</b>					
Designated funds:					
Litigation fund	10,000	-	-	(10,000)	-
Repairs fund (office)	30,000	-	-	(30,000)	-
Repairs fund (tenanted houses)	4,965	-	-	(4,965)	-
Vehicle replacement fund	8,636	-	-	(8,636)	-
<b>Total designated funds</b>	<b>53,601</b>	<b>-</b>	<b>-</b>	<b>(53,601)</b>	<b>-</b>
General funds	433,010	793,669	(687,309)	53,601	592,971
<b>Total unrestricted funds</b>	<b>486,611</b>	<b>793,669</b>	<b>(687,309)</b>	<b>-</b>	<b>592,971</b>
<b>Total funds</b>	<b>5,139,641</b>	<b>967,849</b>	<b>(775,442)</b>	<b>-</b>	<b>5,332,048</b>

The Big Issue Invest fund provided funding for two property trainees for one year and all their equipment and training.

Energy Saving Trust Energy Redress Scheme provides funding to retrofit eight properties over two years.

Household Support Fund and Housing Fund Grant provide support for tenants with the cost of living crisis with energy top-ups, food vouchers and maintaining a stock of food at our office.



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**31 December 2023**  
**Notes to the financial statements (continued)**

The LandAid Charitable Trust – provides funding towards salary costs and renovations costs of bringing three long term empty properties back into use.

Leeds City Council Leases represent 99-year leases on 39 properties which are used for social housing.

Postcode Lottery provides funding for site consumables, white goods, beds and bedding and welcome packs for 9 households.

The Empty Homes Community Grants and Properties Programmes provide funding towards the purchase of 14 empty properties and to bring them back into use.

The Right to Buy programme represents funding from Leeds City Council towards the delivery of 28 units of social housing.

Liz & Terry Bramall have helped towards the refurbishment of 67 Bayswater Grove from one commercial unit to three residential flats.

Jimbo's Fund provides a year's contribution to our Volunteer Co-ordinator and Housing Support Worker salaries.

Nationwide have provided two years contribution to salaries to support people to thrive within the home environment, prevent people from losing their home and help people into a new home.

**Designated funds**

The Board decided to merge designated funds back into general funds during the year.

The comparative for the previous year was:

**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements (continued)**

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
<b>Restricted funds</b>				
Community Fund – COVID 19 Response	1,931	-	(1,931)	-
Community Fund – The Big Issue Invest	173	35,000	(18,870)	16,303
LandAid Charitable Trust	41,200	-	-	41,200
Leeds City Council leases	3,241,627	-	-	3,241,627
The Empty Homes Community Grants Programme	187,000	-	-	187,000
The Empty Homes Community Properties Programme	600,000	-	-	600,000
The Right to Buy Programme	436,411	99,000	-	535,411
Liz & Terry Bramall Foundation	-	9,100	-	9,100
Jimbo's Fund	-	19,500	(19,500)	-
The Nationwide Foundation	-	50,000	(27,611)	22,389
The Green Deal Fund	-	14,667	(14,667)	-
<b>Total restricted funds</b>	<b>4,508,342</b>	<b>227,267</b>	<b>(82,579)</b>	<b>4,653,030</b>
<b>Unrestricted funds</b>				
Designated funds:				
Litigation fund	10,000	-	-	10,000
Repairs fund (office)	30,000	-	-	30,000
Repairs fund (tenanted houses)	4,965	-	-	4,965
Vehicle replacement fund	8,636	-	-	8,636
<b>Total designated funds</b>	<b>53,601</b>	<b>-</b>	<b>-</b>	<b>53,601</b>
General funds	407,960	724,297	(699,247)	433,010
<b>Total unrestricted funds</b>	<b>461,561</b>	<b>724,297</b>	<b>(699,247)</b>	<b>486,611</b>
<b>Total funds</b>	<b>4,969,903</b>	<b>951,564</b>	<b>(781,826)</b>	<b>5,139,641</b>

**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements (continued)**

**16. Analysis of net assets by fund**

Year ended 31 December 2023	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Restricted funds	4,723,111	15,966	-	4,739,077
<b>Unrestricted funds:</b>				
Designated funds	-	-	-	-
General funds	2,071,996	(194,470)	(1,284,555)	592,971
<b>Total funds</b>	<b>6,795,107</b>	<b>(178,504)</b>	<b>(1,284,555)</b>	<b>5,332,048</b>
Members' share capital	-	25	-	25
<b>Total funds</b>	<b>6,795,107</b>	<b>(178,479)</b>	<b>(1,284,555)</b>	<b>5,332,073</b>

The comparative was:

Year ended 31 December 2022	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Restricted funds	4,614,338	38,692	-	4,653,030
<b>Unrestricted funds:</b>				
Designated funds	-	53,601	-	53,601
General funds	1,796,340	(137,675)	(1,225,655)	433,010
<b>Total funds</b>	<b>6,410,678</b>	<b>(45,382)</b>	<b>(1,225,655)</b>	<b>5,139,641</b>
Members' share capital	-	25	-	25
<b>Total funds</b>	<b>6,410,678</b>	<b>(45,357)</b>	<b>(1,225,655)</b>	<b>5,139,666</b>

**17. Pension costs**

Canopy operates defined contribution arrangements for the benefit of employees. The assets of the schemes are held separately from Canopy. The Employer's contribution to the schemes was 5% and the cost for the year was £17,932 (2022: £17,621). At the year end £3,147 (2022: £3,019) was due to the schemes and included within other creditors and accruals.

**Canopy Housing Project Limited**  
**31 December 2023**  
**Notes to the financial statements (continued)**

**18. Reconciliation of net movement in funds to net cash flow from operating activities**

	2023 £	2022 £
Net movement in funds	192,407	169,738
Depreciation charge	-	100
Interest paid	88,134	43,028
Decrease/(Increase) in debtors	(56,218)	(41,157)
(Decrease)/Increase in creditors	154,661	(42,288)
<b>Net provided by operating activities</b>	<b>378,984</b>	<b>129,421</b>

**Analysis of changes in net debt**

	1 January 2023 £	Cash flows £	31 December 2023 £
Cash at bank and in hand	68,647	42,572	111,219
Borrowings	(1,328,468)	(136,151)	(1,464,619)
	<b>(1,259,821)</b>	<b>(93,579)</b>	<b>(1,353,400)</b>

**19. Related party transactions**

There were no related party transactions during the current year.