

Canopy Housing Project Limited
(Operating as Canopy Housing)
Report and Financial Statements
for the year ended 31 December 2024

Registered Society Number: IP28665R

Canopy Housing Project Limited
31 December 2024
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Canopy Housing Project Limited
31 December 2024
Board of Management and Advisers

Board of Management (Trustees)	Andrea Cowans (Chair) Lyn Charters (Secretary) Danielle Joy (Treasurer) Jenn Bravo, appointed 16 September 2024 Martyn Broadest Keith Gibson Leroy Ivanov, resigned 9 August 2024 Janet Onslow Mark Rutherford Kinga Salisbury Mhairi Tomlinson, resigned 5 November 2024
Chief Executive	David Nugent
Registered Office	66 Burley Lodge Road Leeds LS6 1QF
Independent Auditor	AAB Audit & Accountancy Limited Gresham House 5-7 St Pauls Street Leeds LS1 2JG
Bank	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 2024

The Board of Management is pleased to present the annual report together with the audited financial statements for the year ended 31 December 2024. 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 and/or timing of major purchases 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.
- Poor record-keeping leading to poor performance and/or poor customer service.

Canopy Housing Project Limited

Report of the Board of Management for the year ended 31 December 2024

(continued)

- Failure to attract funding leading to an inability to deliver capital projects.

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 were 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 two homeless households; offered training to almost a hundred volunteers and self-helpers; began deep retrofitting eight of our existing homes with low carbon materials and processes; and carried out major planned repairs, such as new thermally efficient doors and windows, new kitchens and bathrooms, new roofs and more efficient heating systems (including heat pumps) to twenty-one properties from within our existing housing stock.

Canopy is in a strong financial position, controlling £7.03m in fixed assets and generating annual rental income of approximately £827k. Our activities throughout the year have been supported by multiple funders in addition to the third tranche of recycled right-to-buy funding, that will provide 40% towards the capital costs of purchasing and retrofitting twelve more empty homes. Funding supporting this activity has been provided by both Energy Redress and npower Business Solutions Foundation and 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 two 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 99 volunteers worked 986 days on site, helping deliver superb homes to their community. Of those volunteers, 56 were new to Canopy with 27 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 saw an increase in volunteers from asylum seeking and refugee backgrounds, particularly from Sudan.

Canopy Housing Project Limited

Report of the Board of Management for the year ended 31 December 2024

(continued)

We saw a huge increase in numbers of volunteers joining us that identify as women, disabled or part of the LGBT+ community.

We would 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. Again, we have successfully trained two new Properties Workers during the year, and recently taken on two new Assistant Properties Workers in the New Year with a view to expanding the number of sites across Leeds where we can operate.

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 £1.65M 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, helping others replicate our successful model
- 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 £75,210 (2023: £192,407). Canopy's funds at 31 December 2024 were £5,407,258 (2023: £5,332,073), 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 Community Grant – WYCA & UKSPF, Energy Redress Trust, LandAid Charitable Trust, Leeds City Council, npower Business Solutions Foundation and The Screwfix Foundation.

Canopy Housing Project Limited

Report of the Board of Management for the year ended 31 December 2024

(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

The board has established a policy whereby 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 £288,092 in general funds. The free reserves at the balance sheet date, before taking into account long-term liabilities, amounted to £168,845 (2023: (£15,381)). The increase in rents and service charges from July 2024 should continue to 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 2024
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 2024 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 2024 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 2024
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 2024
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 2024
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
AAB Audit & Accountancy Limited
Chartered Accountants and Statutory Auditor
Gresham House
5-7 St Pauls Street
Leeds
LS1 2JG

Date

Canopy Housing Project Limited
31 December 2024
Statement of Financial Activities for the year ended 31 December 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income							
Donations and Legacies		3,401	-	3,401	4,923	-	4,923
Charitable activities	4	827,321	395,528	1,222,849	788,211	174,180	962,391
Other		1,328	-	1,328	535	-	535
Total income		832,050	395,528	1,227,578	793,669	174,180	967,849
Expenditure on:							
Raising funds		(27,054)	-	(27,054)	(22,637)	-	(22,637)
Charitable activities	5	(883,157)	(242,157)	(1,125,314)	(664,672)	(88,133)	(752,805)
Total expenditure		(910,211)	(242,157)	(1,152,368)	(687,309)	(88,133)	(775,442)
Net income and net movement in funds	7	(78,161)	153,371	75,210	106,360	86,047	192,407
Reconciliation of funds:	15						
Total funds brought forward		592,971	4,739,077	5,332,048	486,611	4,653,030	5,139,641
Total funds carried forward		514,810	4,892,448	5,407,258	592,971	4,739,077	5,332,048

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 2024 (2023: £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 2024
Balance Sheet as at 31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	9	7,030,861	6,795,107
Current assets			
Debtors	10	106,544	146,179
Cash at bank and in hand		203,821	111,219
Creditors: Amounts falling due within one year	11	(312,043)	(435,877)
Net current assets/(liabilities)		(1,678)	(178,479)
Creditors: Amounts falling due after more than one year	12	(1,621,900)	(1,284,555)
Total assets		5,407,283	5,332,073
Represented by:			
Share capital	14	25	25
Unrestricted funds:			
General	15	514,810	592,971
Designated	15	-	-
		514,835	592,996
Restricted funds:	15	4,892,448	4,739,077
Total funds		5,407,283	5,332,073

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 2024
Statement of Cash Flows for the year ended 31 December 2024

	Note	2024 £	2023 £
Net cash provided by operating activities	18	120,339	378,984
Cash flows from investing activities			
Purchase of tangible fixed assets		(235,754)	(384,429)
Interest paid		(120,787)	(88,134)
Net cash (used in) investing activities		(356,541)	(472,563)
Cash flows from financing activities			
New borrowing		380,326	152,122
Repayment of borrowing		(51,522)	(15,971)
Redemption of shares		-	-
Net cash provided by financing activities		328,804	136,151
Increase in cash and cash equivalents		92,602	42,572
Cash and cash equivalents brought forward		111,219	68,647
Cash and cash equivalents carried forward		203,821	111,219

Canopy Housing Project Limited
31 December 2024
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 that 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 2024
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 on 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 2024
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 2024
Notes to the financial statements (continued)

4. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Rental income	827,321	-	827,321
Grants and contracts:			
Community Grant – WYCA & UKSPF	-	14,425	14,425
Energy Redress Trust	-	118,033	118,033
LandAid Charitable Trust	-	47,500	47,500
Leeds City Council	-	25,000	25,000
npower Business Solutions Foundation	-	63,733	63,733
The Right to Buy Programme	-	121,837	121,837
The Screwfix Foundation	-	5,000	5,000
Total grants and contracts	-	395,528	395,528
Total income	827,321	395,528	1,222,849

The comparative figures were:

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Rental income	787,211	-	787,211
Grants and contracts:			
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
Total grants and contracts	1,000	174,180	175,180
Total income	788,211	174,180	962,391

Canopy Housing Project Limited
31 December 2024
Notes to the financial statements (continued)

5. Expenditure on charitable activities

	Basis of allocation	Projects, renovations, and houses 2024 £	Tenant and volunteer support 2024 £	Total 2024 £
Costs directly allocated to activities:				
Salaries	Direct	233,124	138,174	371,298
House renovations	Direct	359,461	-	359,461
Other	Direct	-	3,620	3,620
Professional fees	Direct	67,715	-	67,715
Loan interest	Direct	120,787	-	120,787
Insurance	Direct	17,615	927	18,542
Travel and motor expenses	Direct	14,754	1,788	16,542
Training	Direct	11,743	1,305	13,048
Tenant support	Direct	-	9,046	9,046
Volunteer costs	Direct	-	11,417	11,417
Arrears write off/provisions	Direct	7,170	-	7,170
Office equipment and supplies	Direct	787	2,332	3,119
Office utilities and rent	Direct	2,272	2,272	4,544
Support costs (Note 6)	Time	76,163	42,842	119,005
Total expenditure		911,591	213,723	1,125,314

	Basis of allocation	Projects, renovations, and houses 2023 £	Tenant and volunteer support 2023 £	Total 2023 £
Costs directly allocated to activities:				
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
Total expenditure		539,173	213,632	752,805

Canopy Housing Project Limited
31 December 2024
Notes to the financial statements (continued)

6. Analysis of support costs

	Basis of allocation	2024 £	2023 £
Costs directly allocated to activities:			
Staff costs	Direct	71,442	63,662
Travel	Direct	1,788	1,239
Legal and professional	Direct	18,014	7,451
Other	Direct	4,901	3,093
Office utilities	Direct	4,544	3,814
Office supplies and IT	Direct	18,316	13,464
Total support costs		119,005	92,723

7. Net income for the year

This is stated after charging:

	2024 £	2023 £
Auditors' remuneration:		
Audit	7,469	7,114
Depreciation of tangible fixed assets	-	-

8. Staff costs

	2024 £	2023 £
Wages and salaries	410,634	377,302
Social security costs	31,797	27,212
Pension costs	19,570	17,932
	462,001	422,446

One employee received emoluments in excess of £60,000 (2023: no employees).

Wages and salaries costs of £11,981 (2023: £11,740) have been spent on raising funds and £7,989 (2023: £43,704) 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:

	2024	2023
Project manager, finance, administration and development	5	5
Tenant and volunteer support	4	4
Projects and renovations	4	4
	13	13

Canopy Housing Project Limited
31 December 2024
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:

	2024	2023
£10,000 to £20,000	2	7
£20,001 to £30,000	8	6
£30,001 to £40,000	3	2
£40,001 to £50,000	1	1
£50,001 to £60,000	1	0
	15	16

The board considers its key management personnel to comprise the Chief Executive, Operations Manager, Properties Manager, the Project Development Manager and the Finance Manager. The total employee benefits of key management personnel during the year was £205,177 (2023: £182,808).

No board member received any remuneration or benefits during the year (2023: £nil). No costs were reimbursed to any trustee during the year (2023: £34.20).

9. Tangible Fixed Assets

	Property £	Motor vehicles £	Computer and office equipment £	Total £
Cost at 1 January 2024	6,795,107	49,649	5,401	6,850,157
Additions	235,754	-	-	235,754
Cost at 31 December 2024	7,030,861	49,649	5,401	7,085,911
Depreciation at 1 January 2024	-	49,649	5,401	55,050
Charge for the year	-	-	-	-
Depreciation at 31 December 2024	-	49,649	5,401	55,050
Net book value at 31 December 2023	6,795,107	-	-	6,795,107
Net book value at 31 December 2024	7,030,861	-	-	7,030,861

Canopy Housing Project Limited
31 December 2024
Notes to the financial statements (continued)

10. Debtors

	2024 £	2023 £
Debtors	33,244	19,110
Prepayments and accrued income	73,300	127,069
	106,544	146,179

11. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	58,709	39,695
Social security and other taxes	11,333	12,641
Deferred income (see note 13)	11,513	-
Other creditors and accruals	58,965	203,477
Concessionary, unsecured loan - Quaker Housing Trust (note 12)	1,000	1,000
Concessionary, secured loan - Leeds City Council (note 12)	11,765	23,530
Secured bank loans – Unity Trust (note 12)	158,758	155,534
	312,043	435,877

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

	2024 £	2023 £
Concessionary, unsecured loan - Quaker Housing Trust	4,000	5,000
Concessionary, secured loan - Leeds City Council	129,410	141,175
Secured bank loans – Unity Trust	1,488,490	1,138,380
	1,621,900	1,284,555

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 £5,000 (2023: £6,000) 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 £141,175 (2023: £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 £1,647,248 (2023: £1,293,914) remained outstanding at the year end.

At 31 December 2024 the loans were repayable as follows:

Canopy Housing Project Limited
31 December 2024
Notes to the financial statements (continued)

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

	2024 £	2023 £
In one year or less	171,523	180,064
Between one and five years	691,908	551,400
After five years	929,992	733,155
	1,621,900	1,284,555
	1,793,423	1,464,619

13. Deferred income

	2024 £	2023 £
Balance at 1 January 2023	-	2,002
Amount released to income	-	(2,002)
Amount deferred during the year	11,513	-
Balance at 31 December 2024	11,513	-

Deferred income relates to rent income received in advance.

14. Share capital

	2024 £	2023 £
Members' share capital as at 1 January	25	25
Members' share capital at 31 December	25	25

Canopy Housing Project Limited
31 December 2024
Notes to the financial statements (continued)

15. Reconciliation of funds

	Balance at 1 January 2024 £	Income £	Expenditure £	Balance at 31 December 2024 £
Restricted funds				
Community Grant – WYCA & UKSPF	-	14,425	(14,425)	-
Energy Saving Trust - Energy Redress Scheme	-	118,033	(118,033)	-
Leeds City Council Grant	-	25,000	(25,000)	-
npower Business Solutions Foundation	-	63,733	(63,733)	-
Housing Fund Grant – Volition Leeds	4,000	-	(4,000)	-
LandAid Charitable Trust	41,200	47,500	-	88,700
Leeds City Council leases	3,241,627	-	-	3,241,627
Postcode Lottery	6,690	-	(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	644,184	121,837	-	766,021
Liz & Terry Bramall Foundation	9,100	-	-	9,100
Jimbo's Fund	5,276	-	(5,276)	-
The Screwfix Foundation	-	5,000	(5,000)	-
Total restricted funds	4,739,077	395,528	(242,157)	4,892,448
Unrestricted funds				
Designated funds:				
Litigation fund	-	-	-	-
Repairs fund (office)	-	-	-	-
Repairs fund (tenanted houses)	-	-	-	-
Vehicle replacement fund	-	-	-	-
Total designated funds	-	-	-	-
General funds	592,971	832,050	(910,211)	514,810
Total unrestricted funds	592,971	832,050	(910,211)	514,810
Total funds	5,332,048	1,227,578	(1,152,368)	5,407,258

Community Grant – WYCA & UKSPF provides funding for a six month project helping 12 people from the most disadvantaged background boost their skills, resilience and well-being and hence their employment prospects whilst also sharing green skills and reducing the areas carbon footprint.

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

Leeds City Council Climate grants scheme – Wave 1 provides funding to retrofit four properties over one year.

Canopy Housing Project Limited
31 December 2024
Notes to the financial statements (continued)

npower Business Solutions Foundation funds salaries, materials and contractor costs for a 12 month project to retrofit four hard-to-treat Victorian terraces in areas of deprivation in Leeds with bio-based materials, whilst teaching local volunteers low carbon retrofit, providing employment and training support for participants including volunteering opportunities and workshops all of which will ultimately house homeless people in self-help retrofit homes.

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

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.

The Screwfix Foundation provides funding for 12 months to paint and decorate four properties.

The comparative for the previous year was:

Canopy Housing Project Limited
31 December 2024
Notes to the financial statements (continued)

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers	Balance at 31 December 2023 £
Restricted funds					
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)	-	-
Total restricted funds	4,653,030	174,180	(88,133)	-	4,739,077
Unrestricted funds					
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)	-
Total designated funds	53,601	-	-	(53,601)	-
General funds	433,010	793,669	(687,309)	53,601	592,971
Total unrestricted funds	486,611	793,669	(687,309)	-	592,971
Total funds	5,139,641	967,849	(775,442)	-	5,332,048

Canopy Housing Project Limited
31 December 2024
Notes to the financial statements (continued)

16. Analysis of net assets by fund

Year ended 31 December 2024	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Restricted funds	4,892,448	-	-	4,892,448
Unrestricted funds:				
Designated funds	-	-	-	-
General funds	2,138,413	(1,703)	(1,621,900)	514,810
Total funds	7,030,861	(1,703)	(1,621,900)	5,407,258
Members' share capital	-	25	-	25
Total funds	7,030,861	(1,678)	(1,621,900)	5,407,283

The comparative was:

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
Unrestricted funds:				
Designated funds	-	-	-	-
General funds	2,071,996	(194,470)	(1,284,555)	592,971
Total funds	6,795,107	(178,504)	(1,284,555)	5,332,048
Members' share capital	-	25	-	25
Total funds	6,795,107	(178,479)	(1,284,555)	5,332,073

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 £19,570 (2023: £17,932). At the year-end £3,290 (2023: £3,147) was due to the schemes and included within other creditors and accruals.

Canopy Housing Project Limited
31 December 2024
Notes to the financial statements (continued)

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

	2024 £	2023 £
Net movement in funds	75,210	192,407
Depreciation charge	-	-
Interest paid	120,787	88,134
Decrease/(Increase) in debtors	39,635	(56,218)
(Decrease)/Increase in creditors	(115,293)	154,661
Net provided by operating activities	120,339	378,984

Analysis of changes in net debt

	1 January 2024 £	Cash flows £	31 December 2024 £
Cash at bank and in hand	111,219	92,602	203,821
Borrowings	(1,464,619)	(328,804)	(1,793,423)
	(1,353,400)	(236,202)	(1,589,602)

19. Related party transactions

There were no related party transactions during the current year.