

Canopy Housing Project Limited
(Operating as Canopy Housing)
Report and Financial Statements
for the year ended 31 December 2025

Registered Society Number: IP28665R

Canopy Housing Project Limited
31 December 2025
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Canopy Housing Project Limited
31 December 2025
Board of Management and Advisers

Board of Management (Trustees)	Andrea Cowans (Chair) Lyn Charters (Secretary) Danielle Joy (Treasurer) Jenn Bravo Martyn Broadest Keith Gibson Janet Onslow Mark Rutherford Kinga Salisbury Naz Parkar, appointed 24 June 2025 Louay Taha, appointed 24 June 2025
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 2025

The Board of Management is pleased to present the annual report together with the audited financial statements for the year ended 31 December 2025. 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 three 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 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/or 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 2025 (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. An independent audit of Canopy's health and safety working practices is planned for Summer 2026.

Key Management Personnel

The Board considers David Nugent (Chief Executive), Sharon Whitehurst (Operations Manager), Alex Leccardi (Properties Manager), Olivia Saffill (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.

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

From a purely financial perspective, 2025 was a difficult year for Canopy. Whole house retrofit does not come cheap and grant funding (at least for our existing stock) is scarce, but we remain committed to housing our tenants in homes that are as safe, warm, secure, and cheap to run as possible.

Despite the financial pressures, we had much to celebrate. We rehoused eight homeless households and provided training and construction site experience to more than fifty volunteers and self-helpers across five deep retrofits. Together, they worked 777 days on site, with 23 of them moving on into employment or further education. This is no mean achievement given that most of them come from underprivileged areas and many are long-term unemployed.

We reached the end of our Energy Redress Project, publishing the Canopy Guide to Retrofit, which will support other community organisations in replicating our award-winning volunteering and self-help model. We know of no other project that works with so many diverse volunteers in such an in-depth way. We continue to attract high numbers of women, people with disabilities, refugees, and LGBT+ volunteers. Our volunteers learn green skills on live sites, but more importantly they learn teamwork, build a sense of pride in a job well done, and in an increasingly polarised world, they learn what it is to be part of a community and have fun in the process. We are eternally grateful to our generous funders, without whom we simply could not do what we do.

We remain in a strong financial position, controlling £7.29m in fixed assets and generating annual rental income of around £844k. Last year, this was supplemented by capital and revenue grants from Leeds City Council, Energy Redress, Land Aid, Npower, Screwfix Foundation and WYCA.

The recycled right-to-buy income from the city council is critical to our model, providing 40% capital grants towards the purchase and retrofit of the homes we acquire. Our lenders, Unity Trust Bank have given us invaluable support, recognising our strong balance sheet, extending our loan facility, and giving us access to cash when we need it most.

North-East and Yorkshire Net Zero Hub funded a report into the feasibility of delivering low-cost, low carbon heating to Canopy's tenants. We are now considering how to implement such a scheme, but it will require considerable time, phased logistics, and outside investment to implement. The Board will prioritise pilot schemes if technical feasibility and cost effectiveness align.

Canopy Housing Project Limited

Report of the Board of Management for the year ended 31 December 2025 (continued)

The Board considers Canopy's viability secure. The reliance on grants has been maintained at around one third of annual income, with the remainder coming from steady rental income. £0.7M of our £2.3M facility with Unity Trust Bank has yet to be drawn down, giving us plenty of room for more development yet. However, with revenue grants proving harder to secure, Board approved targeted cost control measures, modest staffing reductions and detailed scenario planning and stress testing of reserves. As a result, two unencumbered properties were approved for sale late in 2025 and realised in mid 2026 to strengthen liquidity. Further unencumbered assets remain available if required.

The Board thanks staff, volunteers, and funders for their dedication and flexibility during a demanding year. The Board will continue to monitor financial performance, operational delivery and strategic risks and will report material developments to stakeholders.

Plans for future periods

The Board acknowledges that 2025 was tight financially and that this put a lot of pressure on the staff team to deliver. With that in the mind, 2026 is planned as a year of consolidation, with key strategic priorities being to:

- Complete the retrofits of the properties we have recently acquired.
- Improve the foundations on which our frontline services are built (record-keeping systems, health and safety practices, and team working processes).
- Continue being an eco-housing and homelessness pioneer, supporting others to replicate our successful, award-winning model.
- Use tenant and volunteer perspectives to improve our services.
- Secure a more appropriate base, exploring partnership opportunities to free our existing offices for affordable family housing.
- Remain viable and continue doing what we do best.

Financial Review

The deficit reported for the year is £27,818 (2024: surplus of £75,210). Canopy's funds at 31 December 2025 were £5,379,440 (2024: £5,407,258), represented mainly by residential properties.

The deficit arose from two related factors. An elevated void rate during the year required the properties team to divert capacity away from the Right to Buy Programme, slowing the turnaround of RTB properties and delaying the recognition of associated grant income. As a result, grant income reduced from £395,528 to £270,120, whilst void levels also temporarily suppressed rental income below budgeted levels. Rental income nonetheless grew from £827,321 to £844,371 overall, reflecting the increase in housing stock. Both issues have improved since the year end.

Whilst the Society had net current liabilities at the year end, its overall financial position remains strong, underpinned by tangible fixed assets of £7,287,694 representing its residential property portfolio. At the end of the year, Canopy has sufficient assets to fulfil its obligations in respect of 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, The Leeds Older People's Forum and North East and Yorkshire Net Zero Hub.

Canopy Housing Project Limited
Report of the Board of Management for the year ended 31 December 2025
(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 ("free reserves") should be equivalent to three months' current annual expenditure. At 31 December 2025 this equated to a target of £291,209.

Free reserves at 31 December 2025 were (£162,376) (2024: £168,845), reflecting the impact of elevated void levels and reduced grant income during the year as described in the Financial Review above. The Board acknowledges that free reserves are below the policy target and is actively managing this position. As void levels return to normal and rental income recovers, free reserves are forecast to return to a nil position by the end of 2026, with the expectation of continued improvement thereafter.

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.

Canopy Housing Project Limited
Report of the Board of Management for the year ended 31 December 2025
(continued)

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 2025
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 2025 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 2025 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.

Canopy Housing Project Limited
31 December 2025
Independent Auditor's Report to the Members of Canopy Housing (continued)

We have nothing to report in this regard.

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 2025
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 2025
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 2025
Statement of Financial Activities for the year ended 31 December 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income							
Donations and Legacies		22,018	-	22,018	3,401	-	3,401
Charitable activities	4	844,371	270,120	1,114,491	827,321	395,528	1,222,849
Other		507	-	507	1,328	-	1,328
Total income		866,896	270,120	1,137,016	832,050	395,528	1,227,578
Expenditure on:							
Raising funds		(12,154)	-	(12,154)	(27,054)	-	(27,054)
Charitable activities	5	(988,760)	(163,920)	(1,152,680)	(883,157)	(242,157)	(1,125,314)
Total expenditure		(1,000,914)	(163,920)	(1,164,834)	(910,211)	(242,157)	(1,152,368)
Transfer between funds		(523)	523	-	-	-	-
Net income and net movement in funds	7	(134,541)	106,723	(27,818)	(78,161)	153,371	75,210
Reconciliation of funds:	15						
Total funds brought forward		514,810	4,892,448	5,407,258	592,971	4,739,077	5,332,048
Total funds carried forward		380,269	4,999,171	5,379,440	514,810	4,892,448	5,407,258

The notes on pages 15 to 27 form an integral part of these financial statements.

There were no recognised gains or losses for the year to 31 December 2025 (2024: £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 2025
Balance Sheet as at 31 December 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	9	7,287,694	7,030,861
Current assets			
Debtors	10	110,983	106,544
Cash at bank and in hand		21,926	203,821
Creditors: Amounts falling due within one year	11	(478,383)	(312,043)
Net current assets/(liabilities)		(345,474)	(1,678)
Creditors: Amounts falling due after more than one year	12	(1,562,755)	(1,621,900)
Total assets		5,379,465	5,407,283
Represented by:			
Share capital	14	25	25
Unrestricted funds:			
General	15	380,269	514,810
Designated	15	-	-
		380,294	514,835
Restricted funds:	15	4,999,171	4,892,448
Total funds		5,379,465	5,407,283

The notes on pages 15 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 2025
Statement of Cash Flows for the year ended 31 December 2025

	Note	2025 £	2024 £
Net cash provided by operating activities	18	179,661	120,339
Cash flows from investing activities			
Purchase of tangible fixed assets		(256,833)	(235,754)
Interest paid		(114,376)	(120,787)
Net cash (used in) investing activities		(371,209)	(356,541)
Cash flows from financing activities			
New borrowing		15,000	380,326
Repayment of borrowing		(61,570)	(51,522)
Net cash provided by financing activities		(46,570)	328,804
(Decrease)/Increase in cash and cash equivalents		(238,118)	92,602
Cash and cash equivalents brought forward		203,821	111,219
Cash and cash equivalents carried forward		(34,297)	203,821

Canopy Housing Project Limited
31 December 2025
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. In reaching this conclusion, the Board has had regard to the fact that at 31 December 2025 Canopy had net current liabilities of £345,474, including a bank overdraft of £56,223, and did not meet its interest cover covenant with Unity Trust Bank. Unity Trust Bank has confirmed its waiver of the covenant breach. The net current liability position and overdraft arose principally from an elevated void rate during 2025 which temporarily reduced rental income, and steps taken to address this have been effective with void levels reducing since the year end. The Board has assessed cashflow forecasts to July 2027, which indicate that the overdraft will be fully repaid by June 2026 and that the Society will not return to an overdrawn position thereafter. Having reviewed these forecasts and considered downside scenarios, the Board is satisfied that the Society will continue to operate as a going concern and that adequate resources are available to continue in operational existence for the foreseeable future.

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 2025
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.
- Properties held on long leases from Leeds City Council are similarly stated at cost. These leases are expected to be renegotiated prior to expiry and accordingly the useful economic lives of these properties are considered to exceed 50 years and no depreciation is charged.
- 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 2025
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 2025
Notes to the financial statements (continued)

4. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Rental income	844,371	-	844,371
Grants and contracts:			
Community Grant – WYCA & UKSPF	-	3,606	3,606
Energy Redress Trust	-	74,124	74,124
LandAid Charitable Trust	-	47,500	47,500
Leeds City Council	-	25,000	25,000
npower Business Solutions Foundation	-	31,867	31,867
The Right to Buy Programme	-	59,223	59,223
The Older People’s Forum	-	5,000	5,000
Tees Valley Combined Authority	-	23,800	23,800
Total grants and contracts	-	270,120	270,120
Total income	844,371	270,120	1,114,491

The comparative figures were:

	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

Canopy Housing Project Limited
31 December 2025
Notes to the financial statements (continued)

5. Expenditure on charitable activities

	Basis of allocation	Projects, renovations, and houses 2025 £	Tenant and volunteer support 2025 £	Total 2025 £
Costs directly allocated to activities:				
Salaries	Direct	271,256	156,852	428,108
House renovations	Direct	347,661	-	347,661
Other	Direct	-	3,286	3,286
Professional fees	Direct	60,464	-	60,464
Loan interest	Direct	114,376	-	114,376
Insurance	Direct	23,025	1,212	24,237
Travel and motor expenses	Direct	4,939	5,624	10,563
Training	Direct	8,736	971	9,707
Tenant support	Direct	-	6,964	6,964
Volunteer costs	Direct	-	6,252	6,252
Arrears write off/provisions	Direct	18,384	-	18,384
Office equipment and supplies	Direct	479	1,607	2,086
Office utilities and rent	Direct	1,967	1,967	3,934
Support costs (Note 6)	Time	78,161	38,497	116,658
Total expenditure		929,448	223,232	1,152,680

	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

Canopy Housing Project Limited
31 December 2025
Notes to the financial statements (continued)

6. Analysis of support costs

	Basis of allocation	2025 £	2024 £
Costs directly allocated to activities:			
Staff costs	Direct	75,235	71,442
Travel	Direct	5,625	1,788
Legal and professional	Direct	10,302	18,014
Other	Direct	8,692	4,901
Office utilities	Direct	3,934	4,544
Office supplies and IT	Direct	12,870	18,316
Total support costs		116,658	119,005

7. Net income for the year

This is stated after charging:

	2025 £	2024 £
Auditors' remuneration:		
Audit	8,000	7,469
Depreciation of tangible fixed assets	-	-

8. Staff costs

	2025 £	2024 £
Wages and salaries	502,348	410,634
Social security costs	43,757	31,797
Pension costs	22,575	19,570
	568,680	462,001

One employee received emoluments in excess of £60,000 (2024: one employee).

Wages and salaries costs of £13,904 (2024: £11,981) have been spent on raising funds and £53,226 (2024: £7,989) 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:

	2025	2024
Project manager, finance, administration and development	6	5
Tenant and volunteer support	4	4
Projects and renovations	5	4
	15	13

Canopy Housing Project Limited
31 December 2025
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:

	2025	2024
£10,000 to £20,000	4	2
£20,001 to £30,000	11	8
£30,001 to £40,000	1	3
£40,001 to £50,000	2	1
£50,001 to £60,000	0	1
£60,001 to £70,000	1	0
	19	15

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 £205,060 (2024: £205,177).

No board member received any remuneration or benefits during the year (2024: £nil). No costs were reimbursed to any trustee during the year (2024: £nil).

9. Tangible Fixed Assets

	Property £	Motor vehicles £	Computer and office equipment £	Total £
Cost at 1 January 2025	7,030,861	49,649	5,401	7,085,911
Additions	256,833	-	-	256,833
Cost at 31 December 2025	7,287,694	49,649	5,401	7,342,744
Depreciation at 1 January 2025	-	49,649	5,401	55,050
Charge for the year	-	-	-	-
Depreciation at 31 December 2025	-	49,649	5,401	55,050
Net book value at 31 December 2024	7,030,861	-	-	7,030,861
Net book value at 31 December 2025	7,287,694	-	-	7,287,694

Canopy Housing Project Limited
31 December 2025
Notes to the financial statements (continued)

10. Debtors

	2025 £	2024 £
Debtors	34,299	33,244
Prepayments and accrued income	76,684	73,300
	110,983	106,544

11. Creditors: amounts falling due within one year

	2025 £	2024 £
Bank overdraft	56,223	-
Trade creditors	79,238	58,709
Social security and other taxes	13,737	11,333
Deferred income (see note 13)	9,278	11,513
Other creditors and accruals	135,809	58,965
Trustee loan (see note 19)	15,000	-
Concessionary, unsecured loan - Quaker Housing Trust (note 12)	1,000	1,000
Concessionary, secured loan - Leeds City Council (note 12)	11,765	11,765
Secured bank loans – Unity Trust (note 12)	156,333	158,758
	478,383	312,043

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

	2025 £	2024 £
Concessionary, unsecured loan - Quaker Housing Trust	3,000	4,000
Concessionary, secured loan - Leeds City Council	117,645	129,410
Secured bank loans – Unity Trust	1,442,110	1,488,490
	1,562,755	1,621,900

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 £4,000 (2024: £5,000) 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 £129,410 (2024: £141,175) 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 £1,598,442 (2024: £1,647,248) remained outstanding at the year end.

At 31 December 2025 the loans were repayable as follows:

Canopy Housing Project Limited
31 December 2025
Notes to the financial statements (continued)

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

	2025 £	2024 £
In one year or less	184,098	171,523
Between one and five years	677,170	691,908
After five years	885,585	929,992
	1,562,755	1,621,900
	1,746,853	1,793,423

13. Deferred income

	2025 £	2024 £
Balance at 1 January 2025	11,513	-
Amount released to income	(11,513)	-
Amount deferred during the year	9,278	11,513
Balance at 31 December 2025	9,278	11,513

Deferred income relates to rent income received in advance.

14. Share capital

	2025 £	2024 £
Members' share capital as at 1 January	25	25
Members' share capital at 31 December	25	25

Canopy Housing Project Limited
31 December 2025
Notes to the financial statements (continued)

15. Reconciliation of funds

	Balance at 1 January 2025 £	Income £	Expenditure £	Transfer £	Balance at 31 December 2025 £
Restricted funds					
Community Grant – WYCA & UKSPF	-	3,606	(3,606)		-
Energy Saving Trust - Energy Redress Scheme	-	74,124	(74,124)		-
Leeds City Council Grant	-	25,000	(25,000)		-
npower Business Solutions Foundation	-	31,867	(31,867)		-
LandAid Charitable Trust	88,700	47,500	-		136,200
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	766,021	59,223	-		825,244
Liz & Terry Bramall Foundation	9,100	-	-		9,100
Leeds Older People's Forum	-	5,000	(5,000)		-
Net Zero Hub	-	23,800	(24,323)	523	-
Total restricted funds	4,892,448	270,120	(163,920)	523	4,999,171
Unrestricted funds					
General funds	514,810	866,896	(1,000,914)	(523)	380,269
Total unrestricted funds	514,810	866,896	(1,000,914)	(523)	380,269
Total funds	5,407,258	1,137,016	(1,164,834)	-	5,379,440

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.

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.

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.

Canopy Housing Project Limited
31 December 2025
Notes to the financial statements (continued)

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.

The Leeds Older People's Forum provided funding to support tenants over the cost of living crisis. This provided funding for food and fuel vouchers as well as topping up the food bank.

Net Zero Hub – Funding for a technical feasibility study for a pooled energy model for Canopy Housing properties by a consultant.

The comparative for the previous year was:

	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				
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

Canopy Housing Project Limited
31 December 2025
Notes to the financial statements (continued)

16. Analysis of net assets by fund

Year ended 31 December 2025	Tangible fixed assets £	Net current assets £	Long term liabilities £	Total £
Restricted funds	4,999,171	-	-	4,999,171
Unrestricted funds:				
Designated funds	-	-	-	-
General funds	2,288,523	(345,499)	(1,562,755)	380,269
Total funds	7,287,694	(345,499)	(1,562,755)	5,379,440
Members' share capital	-	25	-	25
Total funds	7,287,694	(345,474)	(1,562,755)	5,379,465

The comparative was:

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

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 £22,575 (2024: £19,570). At the year-end £3,725 (2024: £3,290) was due to the schemes and included within other creditors and accruals.

Canopy Housing Project Limited
31 December 2025
Notes to the financial statements (continued)

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

	2025 £	2024 £
Net movement in funds	(27,818)	75,210
Depreciation charge	-	-
Interest paid	114,376	120,787
Decrease/(Increase) in debtors	(4,439)	39,635
(Decrease)/Increase in creditors	97,542	(115,293)
Net provided by operating activities	179,661	120,339

Analysis of changes in net debt

	1 January 2025 £	Cash flows £	31 December 2025 £
Cash at bank and in hand	203,821	(238,118)	(34,297)
Borrowings	(1,793,423)	46,570	(1,746,853)
	(1,589,602)	(191,548)	(1,781,150)

19. Related party transactions

During the year, a trustee, provided an interest-free loan of £15,000 to the charity on 17 September 2025. The loan is unsecured and repayable on demand.

At 31 December 2025, the outstanding balance due to the trustee was £15,000 (2024: £nil).

There were no other related party transactions during the year.

20. Post balance sheet events

Subsequent to the year end, the Society sold two void properties at auction in May 2026 for net proceeds of £224,760, resulting in a surplus on disposal of £63,249. The proceeds have been used to repay the Society's bank overdraft in full, with the remainder retained as working capital.