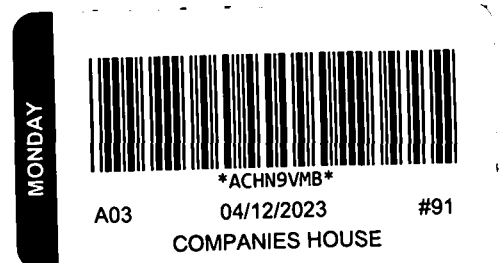


Charity registration number 1128255

Company registration number 05976914 (England and Wales)

CANOPI FOUNDATION 1
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



CANOPI FOUNDATION 1

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Miles Donohoe (Chair) Jenny Edwards Matthew Sampson Russell Thompson Stuart Dawson
Charity number	1128255
Company number	05976914
Registered office	Canopi 7-14 Great Dover Street London SE1 4YR
Auditor	Haines Watts High Wycombe Limited Oakingham House Frederick Place High Wycombe Buckinghamshire HP11 1JU

CANOPI FOUNDATION 1

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CANOPI FOUNDATION 1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements for the year to 31 March 2023. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the 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). Since the company and the Group qualifies as small under section 383, the Strategic Report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

ACHIEVEMENTS AND PERFORMANCE

Financial review

Canopi Foundation 1 recorded net expenditure of £235,197, a decrease from prior year (2022: £915,052), and an unrestricted deficit at the year-end of £1,115,838 (2022: £880,641).

RESERVES POLICY

The Trustees approved a Reserves Policy in 2012 and agreed to aim to maintain consolidated free reserves of £500,000 in cash or assets that are easily converted into cash. At 31 March 2023, the Group's free reserves, excluding the current portion of bank loans were £11,898,864 (2022: £12,642,547). Current bank loans have been excluded from both years as these repayments are met from income received during the forthcoming year.

Reserves necessarily fell during the pandemic as Canopi Foundation worked to deal with the challenges brought on by the pandemic's financial pressures. They have since risen substantially above the target level due to the sale of the Old Street building.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the Charitable Company and the Group are exposed, in particular those related to the operations and finances of the Charitable Company and the Group and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The significant risks of the COVID-19 pandemic posed an ever moving challenge, but were handled by the Management Team in line with Government guidelines.

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

CONSTITUTION

Canopi Foundation 1 trades as Canopi and is a wholly owned subsidiary of Canopi Foundation.

Canopi Foundation is a Charitable Company limited by guarantee and is a registered charity. It is governed by its Memorandum and Articles of Association adopted on, and last amended on, 15 September 1998.

'The charity's objects are to improve the efficiency of the administration of charities in direct pursuit of their objects by the provision of training and information, particularly in the field of information technology, and for such other charitable purposes as the Trustees shall from time to time determine.'

Canopi Foundation has sole membership of Canopi Foundation 1.

CANOPI FOUNDATION 1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

The charity objects of Canopi Foundation 1 are:

- *To promote and improve the efficiency and effectiveness of charities and voluntary groups, community groups and not-for-profit organisations by the provision and management for such organisations of office accommodation, conferences, training and other facilities, services and support*
- *To improve the efficiency of the administration of charities in direct pursuit of their objects by the provision of training and information, particularly in the field of information technology; and*
- *Such other exclusively charitable purposes as the Trustees shall from time to time determine.*

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Company and the Group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Articles of Association stipulate that there must be a minimum of three Trustees and not more than seven Trustees. All Trustees must be members of the Charitable Company, additional Trustees may be appointed by the existing Trustees at any time, either to fill a casual vacancy or as an addition to the existing Trustees. Any Trustee so appointed will hold office only until the next Annual General Meeting and will then be eligible for re-election. One third of the Trustees are to retire by rotation at each Annual General Meeting.

The following Trustees had a beneficial interest in contracts with the Charitable Company during the year:

- Russell Thompson was engaged as Interim Finance Director on a part-time basis from 28th September 2020 to 24th July 2023

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

- Stuart Dawson
- Miles Donohoe
- Jenny Edwards
- Matthew Sampson
- Russell Thompson

Russell Thompson covered the role of part-time Finance Director on a paid basis. This role 2023 and agreed to continue, with the intention of recruiting a permanent, full-time Finance Director later in the year. A full-time permanent Finance Director was appointed 24th July 2023, at which point Russell stood down from the role.

INDUCTION AND TRAINING OF NEW TRUSTEES

The Charitable Company strives to ensure equal opportunities and diversity in both the employment of staff and Trustee appointments. Selection criteria and procedures are regularly reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities.

Trustees are given a comprehensive induction when they join the Charitable Company. Recruitment involves interviews with the Chair and existing Trustees.

Additionally, individual Trustees may undertake external training in a particular area of their role on the governing body.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees controls and manages the affairs of the charity. Leadership and operational management of Canopi are devolved to the Senior Management Team.

The Senior Management Team through this period, and at the time of writing this report, are:

- Clive Dove-Dixon - Chief Executive (Canopi Foundation - Group)
- Kirstin Ross - Director of Operations and Sales (Canopi)
- Maria Maros – Financial Controller (Canopi Foundation - Group)

CANOPI FOUNDATION 1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

The Board of Trustees hold the Senior Management Team to account on key performance indicators as agreed between both parties, as well as monitoring the strategic direction.

OBJECTIVES AND ACTIVITIES

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and in particular to its supplementary public benefit guidance when reviewing our aims and objectives and in planning our future activities.

Canopi aims to provide affordable and flexible workspace for UK and International Charities and other Social Sector organisations. We support this activity by providing services and events for a like-minded community of people who all want to do good work and who benefit from working in this collaborative environment.

ACHIEVEMENTS AND PERFORMANCE

Canopi's objectives at the end of the last year were:

- **Maintain financial sustainability:** continue to ensure that the Group is run and managed to be sustainable in the short- to medium-term
- **Increase occupancy:** to underpin the financial stability we will continue our focus on increasing occupancy to pre-pandemic levels and above
- **Honing of business model:** Canopi Foundation 1 will continue the work to research and reshape the business model so that it is fit-for-purpose for the post-pandemic world that will fully utilise the redeveloped Waterbridge House
- **Develop Waterbridge House:** work on the new Waterbridge House will continue, aiming for a fit-for-purpose design, built within budget, that will put the charity in the best possible position to fulfil its charitable objects

Challenging business environment

Business continued to be challenging with the ongoing impact of the Pandemic and as people returned to the office it became apparent that there was a changing demand for the quantity and style of office accommodation. Organisations were downsizing and seeking more flexible offerings, with an increased demand for hotdesking, video-conferencing facilities and for hybrid meetings and events.

In response, Canopi carried out the following activities:

Finances

Finances continued to be challenging as offices struggled to return to pre-pandemic occupancy levels:

- Costs have continued to be kept low
- Some investment has been undertaken in buildings and facilities on a focused basis, with the aim being to enhance our ability to attract new customers

Property - Waterbridge House

- The development of plans for Waterbridge House continued and were submitted for planning permission – retaining the basement and supporting walls, but new-build from ground level upwards. The intention of this design was to preserve as much of the old building as possible, and save costs
- Planning permission is expected to be granted mid-2023

CANOPI FOUNDATION 1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

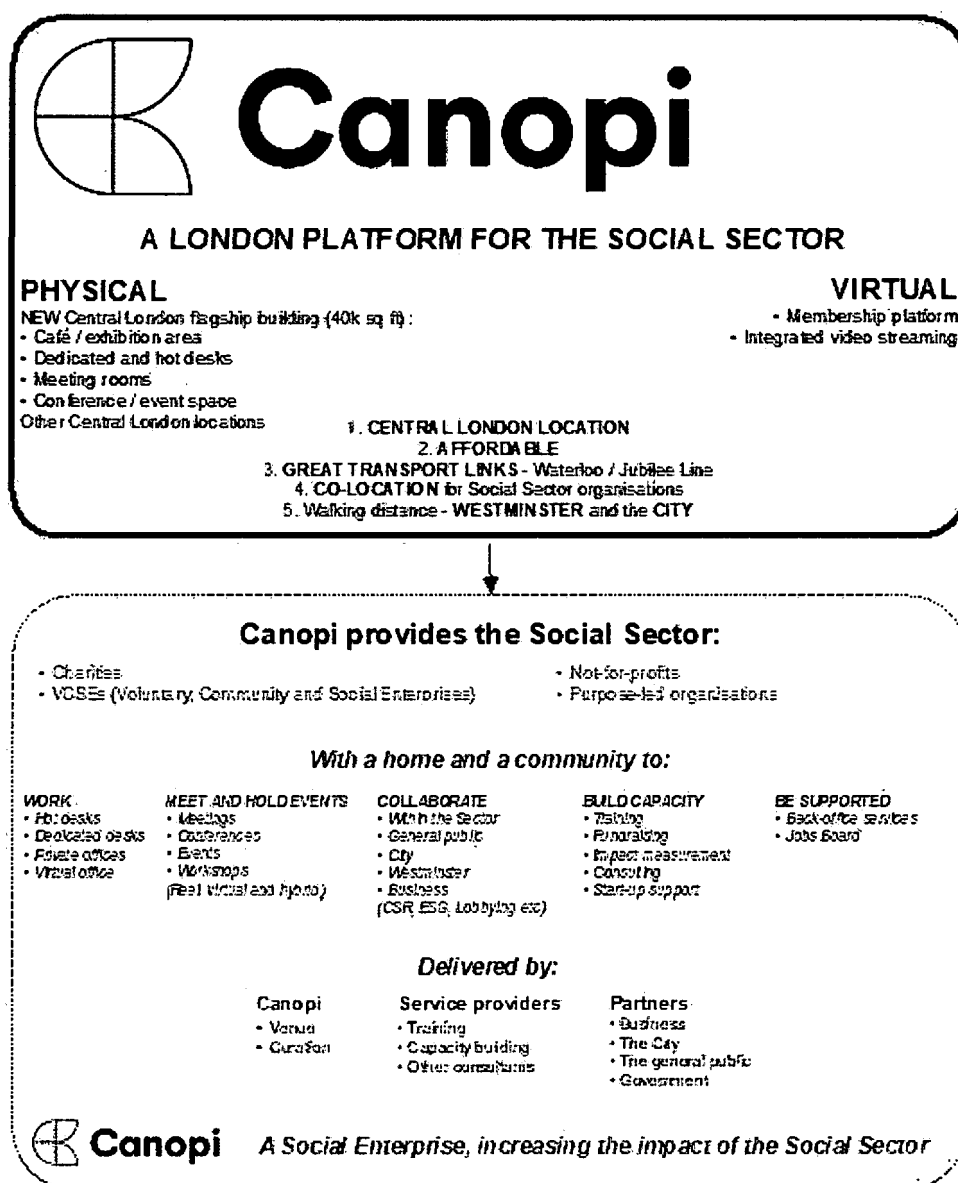
Operations

As customers returned to the office post-pandemic, we continued to develop our flexible solutions to meet the new hybrid-working demands:

- The hotdesk model was further refined
- The partnership with the Wheelhouse, an organisation based outside of London that focuses on providing office space to small businesses, freelancers and work-from-homers, continued
- Investment was undertaken in the Borough offices to raise standards, internally and externally with upgraded heating and ventilation, new kitchens, additional audio-visual facilities and a community garden

Business model

A new business model was developed and approved by the Board. The intention is that Canopi works towards delivering the model, fully achieving its aims once in occupancy of the redeveloped Waterbridge House. In the interim the plan is to run those elements of the model that can be delivered now, using this period of time to trial the new services and hone the offering, ready for the move into the new building.



CANOPI FOUNDATION 1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Governance

As part of an ongoing review of our governance, with the assistance of Solicitors (Shakespeare Martineau) we have changed the names of our entities to reflect the Canopi branding.

We reviewed all of our objects and articles, to ensure they are up to date, using modern templates, and that they better represent our current activities. Updated Articles and objects are due to be changed in the next financial year.

PLANS FOR FUTURE DEVELOPMENTS

Canopi's objectives for the coming year are as follows:

- **Maintain financial sustainability:** continue to ensure that the Group is run and managed to be sustainable in the short- to medium-term
- **Increase occupancy:** this will continue to be a key priority, with the continued pressure on finances in the Social Sector it will be a constant focus to build occupancy
- **Review options for a new building:** once Waterbridge House has gained planning permission we will review our options

PUBLIC BENEFIT

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aim and objectives and in planning the charity's future activities. The aims of the Charitable Company for the public benefit are detailed in the 'Objectives and Activities' section of this report and the main activities undertaken in order to carry out the Charitable Company's aims for the public benefit are outlined under 'Achievements and Performance' above.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Charitable Company and the Group carry out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Charitable Company and the Group have implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Charitable Company and the Group's Equal Opportunities Policy, the Charitable Company and the Group has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charitable Company and the Group's offices.

THANK YOU

Many thanks to our customers, partners and staff who have supported us through the most challenging period of the Foundation's history - coping with Covid-19 Pandemic and its impact on our organisation and our lives.

CANOPI FOUNDATION 1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

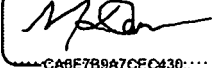
- So far as that Trustee is aware, there is no relevant audit information of which the Charitable Group's Auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charitable Group's Auditors are aware of that information

Auditor

In accordance with the company's articles, a resolution proposing that Haines Watts High Wycombe Limited be reappointed as auditor of the company will be put at a General Meeting.

The Designated Trustees will propose a motion appointing the auditors, Haines Watts, at a meeting of the Trustees.

The Trustees' report was approved by the Board of Trustees.

DocuSigned by:

CA6E7B9A7CEC430...
Miles Donohoe (Chair)
30/11/2023
Dated:

CANOPI FOUNDATION 1

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also the directors of Canopi Foundation 1 for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that year.

In preparing these accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent; and
- State whether applicable UK accounting standards have been followed subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our Auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant information, being information needed by the Auditor in connection with preparing their report, of which the Auditor is unaware, and
- The Trustees, having made enquires of fellow directors and the Auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as director in order to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

CANOPI FOUNDATION 1

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CANOPI FOUNDATION 1

Opinion

We have audited the financial statements of Canopi Foundation 1 (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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 Companies Act 2006.

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 the charity 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 Trustees' 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 charity'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

CANOPI FOUNDATION 1

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CANOPI FOUNDATION 1

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are 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 the Trustees 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 Trustees are responsible for assessing the charity'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 Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to the extent to which the audit was considered capable of detecting irregularities, including fraud

During the audit we identify and assess the risk of material misstatements of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud and error; and to respond appropriately to those risks.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, the Charities Act 2011, UK GAAP, UK corporation tax laws and the Data Protection Act.
- We obtained an understanding of how the charity is complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations.
- We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies and also obtained management representations regarding compliance with applicable laws and regulations.

CANOPI FOUNDATION 1

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF CANOPI FOUNDATION 1

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:

- Identifying and assessing the controls, management has in place to prevent and detect fraud, including the existence of supervisory controls;
- Challenging assumptions and judgements made by management in its significant accounting estimates and judgements (in particular in relation to depreciation and the recognition of donation income);
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
- Assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusions. There is always the unavoidable risk that material misstatements in the financial statements may not be detected despite the audit being properly performed in accordance with UK Auditing standards.

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.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gary A Heywood (Senior Statutory Auditor)
for and on behalf of Haines Watts High Wycombe Limited

.....30/11/2023

Chartered Accountants
Statutory Auditor

Oakingham House
Frederick Place
High Wycombe
Buckinghamshire
United Kingdom
HP11 1JU

CANOPI FOUNDATION 1

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
<u>Income and endowments from:</u>			
Other trading activities	3	2,042,940	2,187,508
Investments	4	418	95
Other income	5	38,098	76,689
Total income		<u>2,081,456</u>	<u>2,264,292</u>
<u>Expenditure on:</u>			
Charitable activities	6	<u>2,316,653</u>	<u>3,179,344</u>
Net expenditure for the year/ Net movement in funds		(235,197)	(915,052)
Fund balances at 1 April 2022		<u>(880,641)</u>	<u>34,411</u>
Fund balances at 31 March 2023		<u><u>(1,115,838)</u></u>	<u><u>(880,641)</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

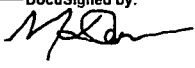
CANOPI FOUNDATION 1**BALANCE SHEET****AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		161,706		282,834
Current assets					
Debtors	11	662,106		972,302	
Cash at bank and in hand		423,959		250,985	
		<u>1,086,065</u>		<u>1,223,287</u>	
Creditors: amounts falling due within one year	12	<u>(2,363,609)</u>		<u>(2,386,762)</u>	
Net current liabilities			<u>(1,277,544)</u>		<u>(1,163,475)</u>
Total assets less current liabilities			<u><u>(1,115,838)</u></u>		<u><u>(880,641)</u></u>
Income funds					
Unrestricted funds			<u>(1,115,838)</u>		<u>(880,641)</u>
			<u><u>(1,115,838)</u></u>		<u><u>(880,641)</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

22nd Nov 2023

The financial statements were approved by the Trustees on

DocuSigned by:

 CA6E7B9A7GEG430....
 Miles Donohoe (Chair)
 Trustee

Company Registration No. 05976914

CANOPI FOUNDATION 1**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	16		195,177		(783,617)
Investing activities					
Purchase of tangible fixed assets		(22,621)		(22,189)	
Interest received		418		95	
Net cash used in investing activities			(22,203)		(22,094)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			172,974		(805,711)
Cash and cash equivalents at beginning of year			250,985		1,056,696
Cash and cash equivalents at end of year			423,959		250,985

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Canopi Foundation 1 is a private company limited by guarantee incorporated in England and Wales. The registered office is Canopi, 7-14 Great Dover Street, London, SE1 4YR.

The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts. Integral to this assessment is the continuing support of the members for at least 12 months from the date of the financial statements being signed. The parent company, Canopi Foundation, confirmed that it will support the charity beyond December 2023.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Resources expended

Liabilities are recognised as resources expended where there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and includes, where applicable, value added tax where this is irrecoverable.

Cost of generating funds are those included in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Governance costs are the costs associated with the governance arrangements of the charity that relate to the general running of the charity, as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic, as opposed to the day-to-day, management of the charity's activities.

Support costs, which include central office functions such as general management, payroll administration, budgeting and accounting, information technology and financing are allocated across the categories of charitable expenditure, governance costs and costs of generating funds. These costs are apportioned on the basis of an estimate by the Board of the time spent.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the period of the lease
Plant and equipment	10% straight line
Fixtures and fittings	20% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity 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.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

Canopi Foundation 1 is a registered charity and has no liability to corporation tax on their charitable activities.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees 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 other 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.

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Non-charitable trading activities	2,039,129	2,161,900
Management fees receivable	3,811	25,608
	<u>2,042,940</u>	<u>2,187,508</u>
Other trading activities	<u>2,042,940</u>	<u>2,187,508</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	418	95
	<u>418</u>	<u>95</u>

5 Other income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rental income	38,098	76,689
	<u>38,098</u>	<u>76,689</u>

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	2023 £	2022 £
Staff costs	184,089	241,208
Other staff costs	3,613	4,382
Interest and charges	623	487
Printing, postage and stationery	113,814	83,133
Rent and rates	1,367,437	2,319,239
Premises expenses	315,741	320,840
Communication services	71,762	102,494
Depreciation of improvements	126,363	72,547
Depreciation of fixtures and fittings	10,702	7,981
Depreciation of IT equipment	6,684	18,093
Bad and doubtful debt	110,726	-
Sundry expenses	599	4,440
	<u>2,312,153</u>	<u>3,174,844</u>
Share of governance costs (see note 7)	4,500	4,500
	<u>2,316,653</u>	<u>3,179,344</u>

7 Support costs

	Support costs £	Governance costs £	2023 Support costs £	Governance costs £	2022 £
Audit fees	-	4,500	4,500	-	4,500
	<u>-</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Charitable activities	-	4,500	4,500	-	4,500
	<u>-</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

CANOPI FOUNDATION 1**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2023****10 Tangible fixed assets**

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2022	784,453	149,264	495,669	244,839	1,674,225
Additions	21,616	-	-	1,005	22,621
At 31 March 2023	806,069	149,264	495,669	245,844	1,696,846
Depreciation and impairment					
At 1 April 2022	526,220	149,264	484,967	230,940	1,391,391
Depreciation charged in the year	126,363	-	10,702	6,684	143,749
At 31 March 2023	652,583	149,264	495,669	237,624	1,535,140
Carrying amount					
At 31 March 2023	153,486	-	-	8,220	161,706
At 31 March 2022	258,233	-	10,702	13,899	282,834

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	129,084	215,483
Amounts owed by fellow group undertakings	338,485	490,122
Other debtors	18,012	106,847
Prepayments and accrued income	176,525	159,850
	662,106	972,302

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	58,759	-
Trade creditors	209,124	191,337
Amounts owed to fellow group undertakings	178,973	116,711
Other creditors	826,135	761,628
Accruals and deferred income	1,090,618	1,317,086
	2,363,609	2,386,762

CANOPI FOUNDATION 1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	1,072,785	1,060,051
Between two and five years	466,812	1,539,597
	<u>1,539,597</u>	<u>2,599,648</u>

14 Related party transactions

The company has taken advantage of the exemptions in FRS 102 "Related Party Disclosures" from the requirements to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

15 Control

Throughout the period, Canopi Foundation 1 was ultimately controlled by the parent undertaking, Canopi Foundation, a Charitable Company incorporated in England and Wales.

16 Cash generated from operations

	2023 £	2022 £
Deficit for the year	(235,197)	(915,052)
Adjustments for:		
Investment income recognised in statement of financial activities	(418)	(95)
Depreciation and impairment of tangible fixed assets	143,749	98,621
Movements in working capital:		
Decrease/(increase) in debtors	310,196	(118,382)
(Decrease)/increase in creditors	(23,153)	151,291
Cash generated from/(absorbed by) operations	<u>195,177</u>	<u>(783,617)</u>